

فوز اجنرال الامم

Property Matters to FULLER PRISER

FINANCIAL TIMES

GW Joynson & Company Limited Brokers since 1890

No. 30,055 Saturday October 11 1986

UK 40p U.S.A. \$1.00

WORLD NEWS Resignation row looms in Israel

Mr Yitzhak Shamir, leader of Israel's right-wing Likud party...

US 'blackmail' charge

The US 'blackmailed' the Government into signing the Hillsborough agreement...

Girls found murdered

Nicola Fellows, 10, and Karen Hadaway, 9, of Brighton...

Honduran cocaine haul

Honduran authorities who captured an aircraft loaded with \$100m worth of cocaine...

Swiss tourist freed

A Swiss tourist, freed after being kidnapped almost three months ago by Moslems in the Philippines...

Chilean opposition rally

A rally and march by opponents of General Augusto Pinochet's Chilean regime...

Italian protest

The Italian Government protested to Tripoli over a statement in which Libyan leader Muammar Gaddafi called Italy 'enemy number one'.

Independent sales good

The Independent, the new national newspaper, has sold more than 500,000 copies per day in its first week...

Runaway train halted

A quick-thinking signaller prevented a potential disaster when he leapt aboard a runaway driverless train leaving Liverpool Street station...

£3.5m rent for ILEA

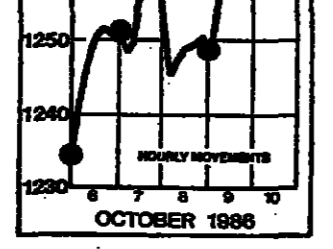
Labour-run Inner London Education Authority is to be charged about £3.5m next year for staying at County Hall...

BUSINESS SUMMARY BPCG buys another US publisher

BPCG, Mr Robert Maxwell's printing and publishing group, is making its second big US acquisition...

LONDON STOCK MARKET

The FT Ordinary Share Index closed down 2.7 on the day, but up 31.4 on the week...



STOCK EXCHANGE member firms have until 8 pm next Thursday to prove that their computer systems are working properly...

STERLING got some respite on foreign exchanges, aided by a falling dollar, but still ended the week with 1 per cent less than on Monday...

INTERNATIONAL COM-MODITIES Clearing House, which serves markets in London and abroad, could be sold to the exchange it serves as early as next year...

SIR JAMES Goldsmith entered the takeover battle for control of Presses de la Cite, second largest French publishing group...

ISRAEL'S \$24.02bn (£16.76bn) foreign debt, world highest in per capita terms, appears to have stabilised at its December 1984 level...

US WHOLESALE prices rose by a seasonally-adjusted 0.4 per cent in September, slightly faster than many analysts had expected...

FIRST BOSTON, Wall Street securities firm, increased its sales from \$3.2m a notably subdued by General Motors' vehicle loans...

GUINNESS, beverage and retailing group, appointed Mr William Pierson, former president of Lever Bros Food Division USA...

ABERDEEN STEAK Houses surprised the stock market by reporting a sharp swing into the red in the first half...

BANKAMERICA Corporation's chief executive Mr Sam Armacost resigned...

SEA CONTAINER, Bermuda-registered parent of strike-hit 45m-ton US container line, suspended quarterly dividend payments...

INTEL CORPORATION, US semiconductor manufacturer, is abandoning its 'double memory' business after reporting steep third quarter group losses...

JOHN MOWLEM, construction group, has won a £16.6m contract to build the controversial bypass around Okhampton in Devon...

Superpowers likely to agree on missile reductions

PRESIDENT Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, were yesterday preparing for two days of talks here to determine whether they will be able finally to move towards a nuclear arms control agreement...

However, US and Soviet officials stress that such an accord is by no means a foregone conclusion and will depend on progress in other important fields.

President Reagan, who is already having trouble with conservative critics, is also expected to tell Mr Gorbachev that his administration could run into difficulty in securing congressional approval for any arms control deal unless the Soviet Union proves more responsive on human rights issues.

Mr Gorbachev, who landed with his wife, Raisa, at the Nato base of Keflavik under leaden skies at lunchtime yesterday, immediately demonstrated the communicating skills which have been a hallmark of his leadership.

land "imbued with a sense of the responsibility which the people of the Soviet Union have for the destiny of the world," and that he hoped that similar feelings had brought President Reagan to Reykjavik.

Thatcher sets scene for radical manifesto

MRS MARGARET THATCHER yesterday set the scene for her campaign for a third term in office with a remarkably bold and radical programme and an impassioned attack on Labour's defence policy.

She promised that the manifesto would be "a programme for further bold and radical steps in keeping with our most deeply held beliefs. We do best for our country when we are true to our convictions."

Labour's approach represented "an absolute break" with post-war policy, she said. "Let there be no doubt about the gravity of that decision. You cannot be a loyal member of Nato while disavowing its fundamental strategy."

TSB shares open at 100p

The scope for 100 per cent profits on the sale of shares in the TSB Group proved short-lived yesterday as the price of the 50p partly-paid shares fell back from an early high of over 100p to 85p at the end of first-day dealings.

passed the test with flying colours. Brokers seeking to deal had to check the price quotations of 17 TSB member firms and also, if they had time, of the 25 or so licensed deposit taking firms which had all elected to make markets in the TSB's 1.5bn shares.

Nigeria to seek \$320m loan in rescheduling plan

NIGERIA's commercial bank creditors will be asked to lend the government of President Ibrahim Babangida \$320m (£223m) under an outline rescheduling plan agreed in London yesterday.

However, the talks produced a breakthrough on what has been a stumbling block in Nigeria's efforts to restore order to its \$19bn foreign debt.

Bankers said they were faced with a difficult choice on Nigeria as loans to countries in debt difficulties were normally tied closely to an IMF programme.

Consistent Growth

ORIENT FUND +111.2% RECOVERY FUND +83.2% SMALLER CO'S FUND +79.7%

MARKETS DOLLAR New York lunchtime: DM 1.9878 FFR 6.511 SFR 1.6193 Y154.55

STERLING New York lunchtime: \$1.434 London: \$1.4335 (L4215) DM 2.8478 (2.85) FFR 9.35 (9.3225) SFR 2.32 (2.3175) Y221.5 (220.25)

LONDON MONEY 3-month interbank: closing rate 108% (11) NORTH SEA OIL Brent 15-day Nov (Argus) \$14.25 (\$14.2)

STOCK INDICES FT ORD 1288.4 (-2.7) FT-A All Share 789.46 (-0.2%) FT-SE 100 1899.4 (-0.2) FFA long gilt yield index: High coupon 10.29 (10.38)

Man in the News 8 Money Markets 13 Overseas News 2.3 Recent Issues 15 Share Information 18.19 SE Dealings 14 Stock Markets: 20

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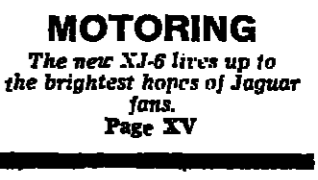
WEEKEND FT



CONSERVATION The World Wildlife Fund has channelled £90m in 25 years of blue-chip sponsorship run on strictly business lines.



BRITISH GAS A launch floated on brouhaha and ballyhoo Page IV



MOTING The new XJ6 lives up to the brightest hopes of Jaguar fans. Page XV



ARTS The National Art-Collection Fund, fairy godmother to British museums, deserves to be better known—and better funded. Page XIX

CONTINENTAL SELLING PRICES: Agents: Sch 20 Belgium 85; 46; Dusseldorf 85; 46; Frankfurt 85; 46; London 85; 46; Paris 85; 46; Rome 85; 46; Zurich 85; 46

For London market and latest share index: 01-246 8026; overseas markets: 01-246 8088

OVERSEAS NEWS

Italy lodges Libyan protest

THE ITALIAN Government yesterday formally complained to the Libyan ambassador to Rome about the absolutely unacceptable and absurd verbal attack launched on Italy this week by Colonel Muammar Gaddafi, the Libyan leader.

Summit gladiators reach early compromise

THE gladiatorial contest this weekend between President Ronald Reagan and Mr Mikhail Gorbachev has run into early difficulties because of the modest bathroom facilities of the house in which they are meeting.

rest of the meeting was concluded. Both sides could use either bathroom, a solution which could lead to even more secret negotiations without their advisers.

Meanwhile, in the Saga Hotel, successive Soviet officials inform the world about Moscow's new "openness". At the same time, they have to field constant questions about Soviet emigration policy and Moscow's attitude towards the reunification of families from Jewish and other human rights questioners.



Murdoch launches battle of TV giants

MR RUPERT MURDOCH inaugurated his US television network with a late night chat show on which Elton John looked like an Ealing actor in fancy dress.

Gorbachev adviser urges political reform

A SENIOR Soviet official accompanying Mr Mikhail Gorbachev said yesterday that without more democracy in the Soviet Union there could be no economic reform.

added that they should be convinced socialists. Mr Burlatsky's frank interview confirms hints in speeches by Mr Gorbachev over the last three months that political reforms are being given priority as a precondition for economic and social change.

illustrated by the fact that one of the three journalists interviewing Mr Burlatsky was from Radio Free Europe, an organisation normally denounced by the Soviet Union.

Surprise release for dissident Soviet poet

THE SOVIET dissident poet, Ms Irina Ratushinskaya was unexpectedly released from a Kiev jail this week in the middle of a seven-year sentence on charges of anti-Soviet agitation and propaganda.

Ms Ratushinskaya was released on Thursday. Her case has been the subject of growing concern in the west, and it is possible her release was timed around the Reykjavik summit to defuse western criticism of Soviet human rights policy.

years' strict regime in a labour camp followed by five years' internal exile on charges of anti-Soviet agitation and propaganda.

Alstom to shut down shipyard near Nantes

THE Alstom heavy engineering group is to shut down its Dubignon yards near Nantes on the Atlantic coast, accelerating closures in the troubled French shipbuilding industry.

Belgian coalition battles to surmount language split

THE FORMER socialist mayor of a tiny Belgian community (pop. 4,500) has cast a large cloud over the government's future this weekend.

about 10 days ago when Belgium's Council of State — a part judicial, part administrative body — annulled the appointment of Mr Happort on the grounds that his knowledge of Dutch, the official language of the area, was insufficient for him to be able to carry out his duties.

Police try to break Brazil beef boycott

THE GREAT Brazilian roundup in which 2,000 plump cattle were arrested and taken to market by teams of policemen on horseback, has been greeted with grudging protests by the country's beef farmers and vry agitation by meat-started consumers.

Doubts raised on US growth

LEADING US business executives forecast yesterday that the US economy would continue to muddle through the next two years without a recession but without much pickup in growth either.

measured by the gross national product, of 2.6 per cent this year, weaker than last year's 2.7 per cent performance.

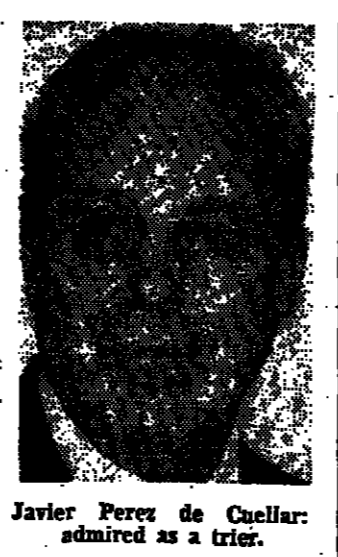
The September rise followed a 0.3 per cent rise in August and was the largest since May's 0.5 per cent gain. Prices have fallen in five months this year.

UN chief bows to tradition

MR JAVIER Perez de Cuellar was re-elected secretary general of the United Nations yesterday because of a two-term tradition and because the major powers, the real decision-makers through their right of veto, evidently are not yet ready for an African at the helm.

weeks remaining of his term was taken because the General Assembly is starting to debate the cash problem in the context of recommendations to restructure the costly secretariat, and it was necessary that there be

heln's representative on the island. Repeated missions by Diego Corroves, a senior aide, have failed to obtain a breakthrough in Afghanistan. The Gulf War continues unabated with the secretary general's attempts to use his good offices between Iran and Iraq barely acknowledged.



Javier Perez de Cuellar, admired as a trier.

Equity option for Third World

DEVELOPING countries have growing opportunities to attract investment from large western financial institutions such as pensions funds, insurance companies and other financial intermediaries to help reduce the crushing burden of their debt obligations.

type positions in some of these states, he argues. However, the report acknowledges that while western institutional investors are now looking at markets in developing countries with an interest

considerable time to develop the concept of equity financing in developing countries. However, he argues, that in the longer term it could become an important supplementary source of financing for developing countries.

Our Correspondent at the UN profiles Perez de Cuellar

no doubt that who would implement the proposed changes. These include getting rid of about 1,700 employees — the worldwide UN staff totals about 12,800 — and 25 per cent of top executive staff.

He has been plugging away at the idea of an international conference on the Middle East, including the great powers and the PLO, but Israel and the US will have none of it.

Pinochet to allow rally by opposition

A rally by opponents of General Augusto Pinochet's regime is due to take place today in the city of Punta Arenas in Chile's southernmost territory.

General Danus also urged that the state of siege, which gives authorities extraordinary powers to deal with security threats and to suspend civil liberties, be lifted in his territory.

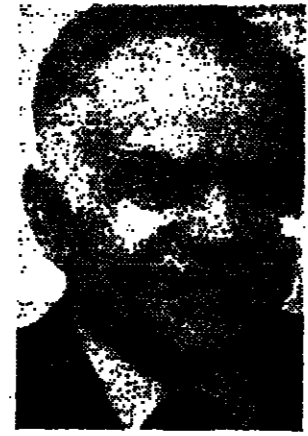
A Financial Times Survey READING The Financial Times proposes to publish a Regional Report on the above on FRIDAY, DECEMBER 12th 1986

OVERSEAS NEWS

UK NEWS

Shamir's return to premiership may be delayed

BY ANDREW WHITLEY IN JERUSALEM MR SHIMON PERES resigned yesterday as Prime Minister at the end of his 25-month term in office under Israel's power-sharing pact between his Labour Alignment party and the right-wing Likud.



Yitzhak Shamir due to take over next week.

Likud leader.

However, the planned return to the Prime Ministership by Mr Yitzhak Shamir, the Likud leader, could be delayed by Labour's refusal to permit the return to the cabinet of Mr Yitzhak Moda'i, the maverick Likud politician.

Israeli foreign debt stabilises at \$24bn

ISRAEL'S \$24bn (£16.9bn) foreign debt, the highest in the world in per capita terms, appears to have stabilised at its December 1984 level—and has even shown a decline in recent quarters.

Opec talks on quotas drag on

MINISTERS from the Organisation of Petroleum Exporting Countries (Opec) agreed yesterday over details of a new share-out of the group's production quotas which would have important implications for the price of oil and their countries' economies.

Top opposition leader charged

POLICE have charged the country's top opposition leader, Sheikh Hasina, and 12 others with violating a martial-law ban on protests against the October 15 presidential elections, AP reports from Dhaka.

Bhutto abandons deadline for Pakistan elections

BY MOHAMMED AFTAB IN ISLAMABAD MISS BENAZIR BHUTTO, the Pakistani opposition leader, has abandoned her plans to put pressure on the government to hold parliamentary elections before the end of the year.

International commodities clearer may be sold

BY STEFAN WAGSTYL THE INTERNATIONAL Commodity Clearing House, which serves markets sold to abroad, could be sold to the exchanges it serves as early as next year.

The possible sale of ICCCH— which is controlled by a consortium of six banks, including the big four UK clearing banks —is one of various proposals put forward in a broad review of the company's future, prepared by the ICCCH itself.

Lighten bank to buy London broker

BY DAVID LASCELLES VIVIAN GRAY, the London stockbroker, is to be bought by Bank in Liechtenstein, the small alpine principality's leading bank.

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Alan Pike on how the Government is extending schemes to help long-term jobless Breaking unemployment's vicious circle

QUESTION: What is the greatest cause of long-term unemployment? ANSWER: Long-term unemployment.

Exhibition spending reaches £192m

Table with columns: EXPENDITURE IN EXHIBITIONS, 1981, 1982, 1983, 1984, 1985. Rows: Total expenditure (£m), Spending by venue (%), etc.

BRITISH COMPANIES are spending record amounts advertising products at trade exhibitions.

DTI to back fashion industry

THE GOVERNMENT is to put up £100,000 in a scheme which will help the fashion industry to help the British Fashion Council strengthen its role as the central body for the industry.

Labour may snub Liverpool delegation

A DEPUTATION of Liverpool's Labour councillors is likely to be snubbed by the party's ruling National Executive Committee at its next meeting of October 22.

Computer group to create 1,000 jobs

DIGITAL EQUIPMENT Corporation, the world's largest computer manufacturer, is to create almost 1,000 jobs in the UK by next June.

Anglo-Irish deal 'result of blackmail'

THE US "blackmailed" the Government into signing the Hillsborough agreement on the future of Northern Ireland, Mr Enoch Powell, Official Unionist MP for South Down, said in a strongly-worded speech last night.

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ECONOMIC DIARY

TODAY: Reagan-Gorbachev meeting in Reykjavik. TOMORROW: Sir Geoffrey Howe, Foreign Secretary, visits Hong Kong.

APPOINTMENTS

Senior post at Royal Insurance Mr Robin Rowland, currently on secondment as an assistant managing director of Royal Life Insurance, has been appointed managing director (designate).

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UK NEWS

TSB flotation cuts societies' funds

BY HUGO DIXON

BUILDING SOCIETY accounts suffered a net outflow of £671m last month after withdrawals to pay for TSB shares...

return to societies in October as disappointed applicants for shares have their cheques returned...

building societies. A total of £1,716m in mortgage principal was repaid and net borrowing from wholesale sources was a record £1,632m.

Such detailed monthly figures on building societies may not be available from next year...

Independent sales top 500,000

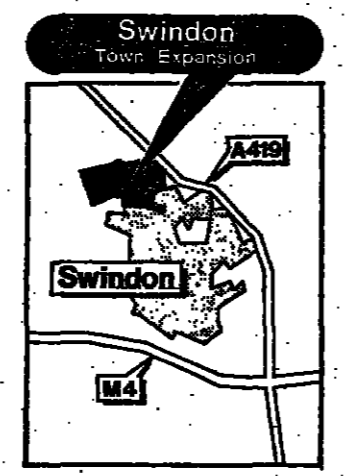
By Raymond Snoddy

THE INDEPENDENT, the new national newspaper, has sold well in its first four days and newspaper distributors have ordered the full 650,000 print run for Monday.

Swindon growth plan launched

BY PAUL CHEESBRIGHT, PROPERTY CORRESPONDENT

CREST HOMES, on behalf of the Haydon Development Group, yesterday sought planning permission for what is claimed to be the largest privately-funded town expansion scheme in Europe.



most of the land on the site, with Crest the largest holder. Even assuming a relatively smooth run, it will probably take two years to win planning permission.

Deal sought on green belt site

BY OUR PROPERTY CORRESPONDENT

DEVELOPERS have offered to rehabilitate privately held, near-jeroliet green belt land by London's Heathrow Airport in return for permission to put up commercial, industrial and residential property on part of the 250-acre site.

Greece rejects cement dumping charge

BY ANDREW TAYLOR

THE GREEK Government, in a letter to Mr Alan Clark, Trade Minister, has rejected British claims that Greek cement is being dumped in the UK at subsidised prices.

Return on capital at 22-year high

BY OUR ECONOMICS STAFF

THE rate of return on capital achieved by British companies in 1985 was the highest for 22 years and was 23 times higher than the low recorded in 1963, according to a report by the Department of Trade and Industry.

Pretoria embassy bans Sogat delegation visit

BY HELEN HAGUE

THE SOUTH AFRICAN government has stopped Sogat 82 the print union, sending a delegation to visit unions there this weekend.

Tony Jackson assesses the purchase of Golden Wonder in a volatile £1bn market

Dalgety bites into the snack industry

DALGETY'S £87m purchase of Golden Wonder, announced yesterday, launches the food and agriculture group into new and cut-throat territory.



Trevor Humphries

Golden Wonder is one of the three big players in the UK market. The other two are the two biggest biscuit companies in the world, Nabisco Brands and United Biscuits.

acquired, and Nabisco's two brands, Planter's Peanuts and the regional English brand of Walker's crisps - referred to by a rival executive, with due seriousness, as "the Rolls-Royce of the crisp world."

In extruded snacks, Nabisco again takes the lead, though UB's Hula Hoops is the biggest single brand, followed by Golden Wonder's Wotsits and Smiths Munch.

Receiver to shed 170 Coventry Climax jobs

By Arthur Smith, Midlands Correspondent

THE RECEIVER called in by Coventry Climax, the fork-lift truck manufacturer, told union leaders yesterday that 170 jobs would have to be axed among the 730 workers.

ITV to reconsider S African adverts

BY CHARLES LEADBEATER, LABOUR STAFF

THE MANAGING directors of the ITV companies will meet on Monday to review their policy on transmitting advertisements for goods made in South Africa.

Seamen to continue ferry strike

By Our Labour Staff

THE DISPUTE which has halted Sealink UK's ferries to the Continent and Ireland for the past eight days looks set to continue into next week after seamen at Dover yesterday voted overwhelmingly to reject the company's proposals for crew reductions.

CPSA likely to move straight to ballot rerun

BY PHILIP BASSETT, LABOUR EDITOR

LEADERS OF the Civil and Public Services Association look set to move straight to a referendum to elect a new executive, after a ballot of members failed to produce a majority.

Teachers rethink pay deal

BY CHARLES LEADBEATER, LABOUR STAFF

TEACHERS UNIONS in England and Wales are to press for renegotiation of major elements of their outline pay agreement in the wake of pay recommendations last week giving their Scottish colleagues better short-term rises.

Paxman Diesels workers threatened with dismissal

BY CHARLES LEADBEATER, LABOUR STAFF

MANUAL WORKERS who have been locked out for nearly 16 weeks at Paxman Diesels at Colchester were yesterday told they will be dismissed if they do not return to work and implement wide-ranging changes to working practices.

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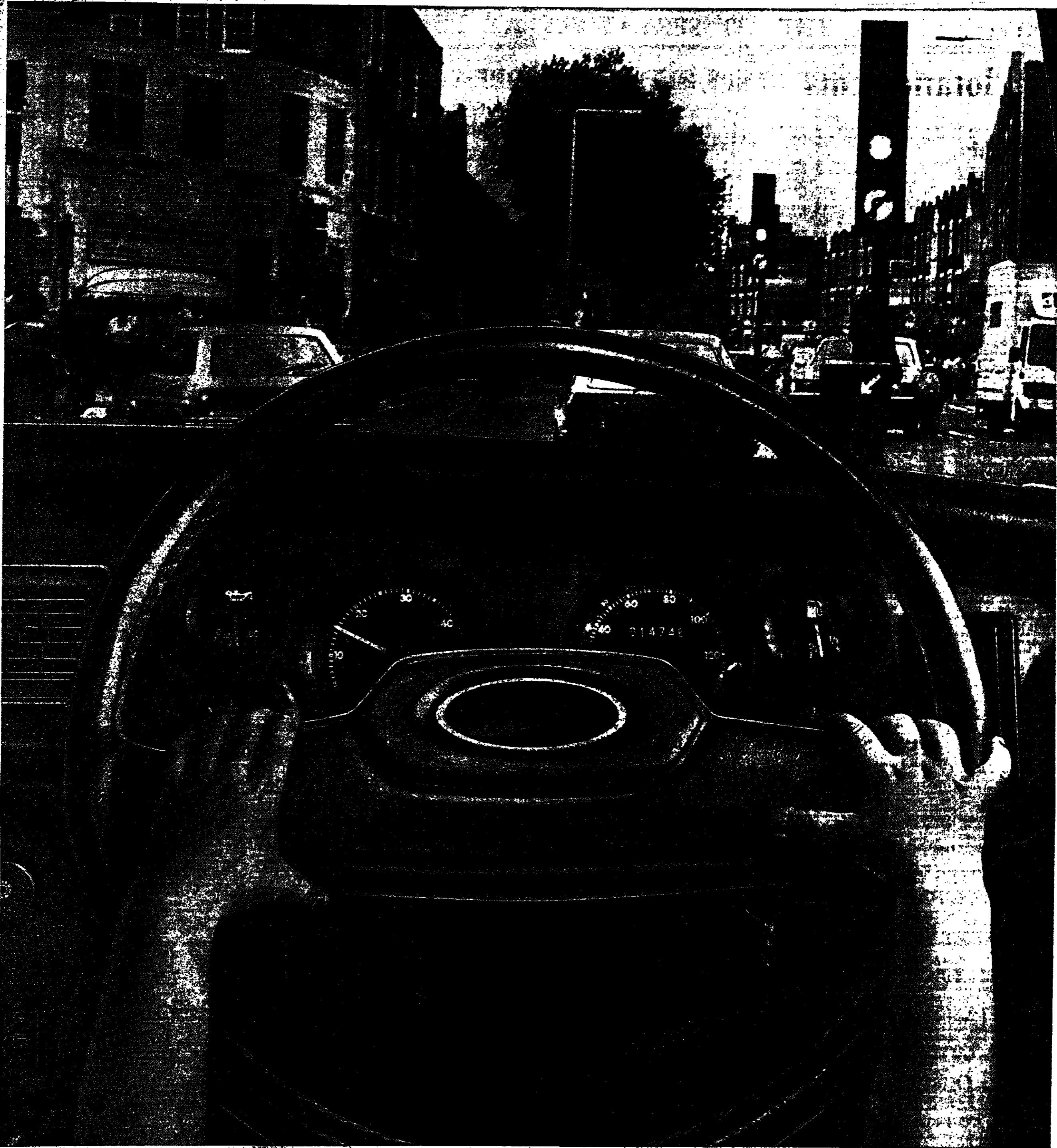
DISPUTE

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DISPUTE



Introducing free driving lessons for the Under-Sixteens.

Most children dream of growing up and driving their own cars.

Tragically, many of them never get the chance.

Every year in Britain, more than 43,000 children are killed or seriously injured in road accidents.

Those who survive to win their licences go out on the roads as virtual innocents. Equipped in most cases with little more than basic knowledge.

Statistically, they become "Adults." And thousands more of them are slaughtered, maimed and, more often than not, scarred for life.

Year after year after year.

It's an unacceptable situation. And we're not prepared to live with it.

So, with the blessings and co-operation of the Department of Transport, we plan to put accidents well and truly in their place. On the TV screen, not on the road.

With "Interactive" Video. A computer-based breakthrough, which gives children the chance to make their own mistakes. And to learn by them. In total safety.

Confronted with filmed, "real-life" situations, they'll make decisions and react. They'll experience, firsthand, all the problems of the road.

And they'll see the consequences of their actions. Right there on the screen.

They'll gain invaluable experience. And one day, hopefully, it may save them their lives.

The machines are being presented to local Road

Safety Officers for use in schools around the country.

The project's under way—but we're not stopping there. General Accident's commitment to Road Safety exceeds £2 million. This year alone.

On top of the Videos, that pays for major Research into the Psychology of Driver Behaviour, covers the cost of "Roadsafe Family of the Year"—our new, national Competition, and enables the D.O.T. to broaden the scope of its Advertising programme, too.

Next year, we plan to do even more. And the year after. And the year after that.

For Road Safety. For Life.

For Today. For Tomorrow. And for generations to come.

General Accident

A radical new motoring policy. For road safety. For life.

A JOINT INITIATIVE BY THE DEPARTMENT OF TRANSPORT AND GENERAL ACCIDENT IN THE INTERESTS OF ROAD SAFETY.

Mail shots boost party membership

CONSERVATIVE PARTY managers are delighted with evidence of a fresh upsurge in membership which began even before this week's Bournemouth conference.

Thatcher takes aim at Labour's non-nuclear defences

LABOUR'S COMMITMENT to a non-nuclear defence policy would give the Soviet Union its greatest gain in 40 years without having to fire a shot, Mrs Margaret Thatcher warned yesterday when she wound up the Conservative conference at Bournemouth.

to close down its nuclear bases — weapons and bases which were vital not only for Britain's defence but for the defence of the entire Atlantic alliance.

approval, she stressed: "As Prime Minister, I could not remove that protection from the lives of present and future generations."



Margaret Thatcher, with Norman Tebbit beside her, acknowledges the ovation after her speech.

Tebbit dissects television coverage

MR NORMAN TEBBIT, the Conservative Party chairman, yesterday stepped up his allegations of anti-Conservative bias by the BBC.

Britain to spearhead drive against traffickers, says Mellor

BRITAIN is to spearhead an international drive against drug trafficking, Mr David Mellor, junior Home Office minister, announced.

Mr Mellor stressed the need to combat the "dangerous, desperate and sometimes fatal" attempts made by those who sought to smuggle heroin and other drugs into Britain by swallowing packages stuffed with illicit products.

years in jail. Mr Mellor told the conference that a bill to be introduced early in the new parliamentary session would outlaw the powerful and dangerous so-called "designer drugs" which had caused so much harm in the United States.

blighted by Labour's minimum wage policy, because people would not then be able to afford to employ them and give them a start in life. As many as 250,000 jobs could be at risk, she suggested.

The Prime Minister contended that Labour's policy would cause further job losses through the closing down of the American nuclear bases and the imposition of sanctions against South Africa.

work would have been increased by 580—an increase of 15 per cent. The number of Customs intelligence men pursuing the number of Customs officers engaged in drugs work.

As the conference season closes, Peter Riddell assesses party fortunes Bournemouth's glow could give way to chill

JUDGMENTS on party conferences, like spring budgets, tend to change with the times. Immediate successes often look flawed as the weeks and months pass and the excitement of the observer on the spot is put in perspective by subsequent events.

extremely happy" with the direction of policy. It pointed to ministerial announcements which it has long supported on hospital building, victim-support schemes, the commitment to the inner cities, increased help for the unemployed and expanded choice in education — though with no mention of education vouchers.

There are also some very real problems over exchange rate policy, competitiveness and the continued rise of unemployment. Consequently, many ministers believe the Tories' recuperation will take time and that the opposition parties cannot be brushed aside as easily as yesterday's oratory pretended.

Even after some of this week's glow of success fades, the conference may still be remembered as an important skirmish in the battle for the succession to Mrs Thatcher. Of course, the Conservative Party conference does not decide these matters.

to prove that he can deliver. There is still a lingering suspicion among some MPs that he is not tough enough and can't times look too pleased with himself. But he has undoubtedly had a very good week.

Advertisement for Queen Elizabeth 2 cruise ship. Text includes: "PAY THIS YEARS PRICE TO SAIL QE2 TO NEW YORK NEXT YEAR. QE2 returns next April after the greatest reef in maritime history. April 1987 she'll be crossing the Atlantic 25 times."

Advertisement for English Speaking Union. Text includes: "FORCED DISPOSAL HIGHLY IMPORTANT PUBLIC AUCTION OF SEVERAL HUNDRED EXCEPTIONALLY FINE AND MEDIUM QUALITY, HANDMADE PERSIAN CARPETS RUGS AND RUNNERS."

Tale of tribal rites and no wrongs

AT THE START of yesterday's conference proceedings it was by no means certain that the final day's events would move smoothly towards the usual triumphant finale.

John Hunt sees a triumph of restored public relations. tries to pin on her. More like Florence Nightingale, perhaps, firm and competent but anxious to help the weak and soothe the fevered brow?

to put the motion, which not unexpectedly, was carried unanimously. To clinch matters Mrs Thatcher warmly endorsed Mr Tebbit's "our party could not wish for a better chairman."

face yesterday. One speaker summed up the mild mood of the debate when he said that the party knew that it was on the right road and merely had to make sure that the nation was behind it.

Table titled 'BASE LENDING RATES' listing various banks and their interest rates. Includes columns for bank names and percentages.

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CHING RATES

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Fallibility of markets

THE CYNICAL explanation of Mr Nigel Lawson's refusal this week to sanction higher interest rates is that he did not want to upset the Conservative Party Conference and still less his own keynote speech. But it is worth recognising that there is an economic defence of sorts for the Chancellor's failure to bow to short-term market pressures.

Real interest rates in the UK are already considerably higher than in most other industrial economies. So long as inflation remains subdued, the authorities are understandably anxious to prevent the adverse differential widening still further. The UK badly needs faster real growth and higher employment — goals which yet higher interest rates would obviously jeopardise.

At the same time, the sharp fall in the oil price has weakened Britain's balance of payments just as it has substantially strengthened that of most of its competitors. Who is to say how long a depreciation of sterling is necessary against the Deutsche Mark in such circumstances? For most of the past seven years sterling has been overvalued against other EMS currencies; a temporary bout of weakness now may not do much long-term damage.

This is not to say that UK interest rates may not have to rise in due course. It is merely to argue that Mr Lawson's failure to mandate a depreciation of sterling is not necessarily as foolish as it may seem. The Chancellor, unlike some of his predecessors, is not over-awed by the financial markets; he is well aware that in the short term they can be fickle and fallible.

Fiscal imbalance

All the excitement about sterling has, however, distracted attention from far more serious economic matters. The pound's gyrations are a sideshow set against the challenges posed by huge current account imbalances; America's fiscal impudence; structural changes, such as the secular decline of commodity prices which is doing much to undermine the third world's economic viability; and renewed controversy about developing country debt.

In the context of these challenges and uncertainties, the failure of finance ministers and central bankers to agree on anything of substance at the Washington meeting of the IMF and World Bank is rather serious. The momentum for macro-economic co-operation and coordination, generated with considerable difficulty at Seoul last year, has simply been allowed to seep away. This is not because the problems have gone

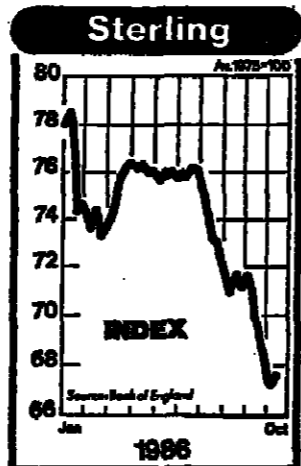
away, but because the proposed solutions are unacceptable to one or other of the main economic blocs. The principal disagreement, of course, remains the appropriate value for the dollar. Many economists in the US, if not the Administration itself, now seem to accept that faster growth in West Germany and Japan, while desirable and possible, will have only a marginal impact on the US current account. They argue that the huge US external deficit can be corrected only through a big price adjustment — a further large devaluation of the dollar. Ironically, by emphasising that growth outside the US can do comparatively little to solve America's problems, West Germany has only strengthened the argument for further D-mark and yen appreciation.

Borrowing penalties

Those who believe that further currency adjustments would be unacceptably disruptive argue strongly for "direct" action to correct the imbalances in domestic savings and investment which are the counterpart to the balance of payments disequilibrium. A country can have a current account deficit only if domestic savings fall short of domestic investment; the US could and should, it is argued, take firm direct action to boost domestic savings. This would involve tax increases to curb public dissaving and strong incentives for higher private saving. Regrettably, the US tax reform legislation contains no such measures.

Denmark is pioneering this approach to current account imbalance. It is refusing to contemplate devaluation, and has instead announced penalties for consumer borrowing and subsidies for private saving. Similar measures would undoubtedly be beneficial in the US especially if it is unable to gain agreement on further currency adjustment. They might also be advisable in the UK, another country where consumer debt is spiralling upwards, and where savings and investment are comparatively weak.

The other issue on which further international consultation is urgently needed is developing country debt. The Baker plan, outlined in Seoul, seems to have stood the test of time no better than the proposals for macroeconomic co-operation. The choice is either to try still harder to make it work, which means persuading the commercial banks to extend large new loans, or to look at other proposed solutions such as the writing-down of existing debt. It is a difficult dilemma, but not one that finance ministers and central bankers can brush aside.



A sizeable gap in the enemy line

By Malcolm Rutherford

MRS THATCHER'S new model army went on display in Bournemouth this week. The Field Marshal in charge, her generals have stopped quarrelling and the troops are in place. The enemies have been routed, not least by divisions among themselves. It is time to mount the final assault on socialism and, come to that, any remaining redoubts of wet liberalism.

That, more or less, is the impression that the Conservative Party tried to give and on the whole it gave it successfully. It is easy enough to parody and to stress the authoritarianism. This was a conference so surrounded by police and security that the part of Bournemouth where it was held like an armed citadel.

The Tories have never used block votes. It has no need of them. This year, in particular, the conference simply voted en bloc. The motions were so bland that it did not really matter — and was sometimes difficult to tell — whether a speaker was for or against. There was practically no dissent from the floor, no coded messages from the platform and very few even from dissidents at fringe meetings.

The conference proceeded almost oblivious of outside events. There were demonstrators, including some Tories, outside the hall protesting at nuclear dumping. In the energy debate inside nuclear waste was not mentioned. The debate on the economy, indeed all the official events, passed without reference to the exchange rate. In the debate on trade and industry all the speakers were called because only half-a-dozen or so had put their names in.

Yet if one wanted to parody, it would be more on the lines of Toy Town than Eastern Europe. The ubiquitous police were very friendly; those who had been driven from Devon could not give the directions to the hotel round the corner because they had not been to Bournemouth before. And the discipline, the absence of dissent, were not imposed. That was the way people wanted it: platform and floor. Nobody wished to raise embarrassing questions.

The reason is that the Tory Party has sensed that a third term under Mrs Thatcher is within its grasp. Few of them would have predicted that with any great confidence when the conference season began with the Social Democrats in Harrogate a month ago. But the season has been kind to the Tories. The Social Democrats began

well enough. Dr David Owen made his virtuous speech on tax reform and the relief of poverty and seemed to have his own party behind him on the need to maintain nuclear defence. A crucial event occurred, however, on Tuesday September 23 when the Liberal Assembly in Eastbourne voted against nuclear weapons.

It is possible that that date will go down as a turning point when the story of the run-up to the next General Election is written. The Liberals not only disagreed with the Social Democrats on defence policy; the raison d'être of the SDP-Liberal Alliance — two parties who could work together without merging — was undermined. The Tories began to feel more confident.

The Labour Party conference in Blackpool last week was a success in its way. The Party united behind Mr Neil Kinnock in the expectation that he can lead them to victory. It was the best Labour conference for years and left the Tories worried that the old enemy might have developed a superior organisation. But there was also a time-bomb. Labour adopted a non-nuclear defence policy that the Tories mercilessly exploited in Bournemouth. They will continue to do so. As Mrs Thatcher said in her speech yesterday: "There is now only one party in this country with an effective policy for the defence of the realm."

The Alliance may pull itself together on defence, though it has done itself great harm. Labour is stuck with its non-nuclear approach and potential conflict with the US about the use of British bases by American nuclear forces.

There was a further way in which the other conferences let the Tories off lightly. By appearing to concentrate so much on defence, they failed to attack the Government at its most vulnerable points: unemployment, the health service, poverty, education, the weakness of the exchange rate or even just general incompetence. The result is that the Tories were given the initiative and this week they seized it. Of course, a conference like that which has just passed in Bournemouth needs a great deal of hard work and preparation. No one who heard the speeches or saw the television interviews can have doubted for a second the amount of coordination that had gone on to ensure Ministers were not speaking with different voices. At times Mr Douglas Hurd, the Home Secretary, sounded almost indistinguishable in what he was saying from Mr

Norman Tebbit, the Party chairman. Even Mr Peter Walker, the Energy Secretary was in tune. It was not always so, and would have been less convincing if the other parties had not given the Tories the scent of victory.

For a start, the Government has solved at least temporarily its dilemma of knowing which opposition to attack hardest: Labour or the Alliance. In Bournemouth it attacked them both with equal ferocity.

As Mr John Biffen, the Leader of the House of Commons and once a radical, now more of a consolidator, said at a fringe meeting, it is now easier for the Tories to identify what the opposition parties have in common. They are all somewhere between shaky and unsound on defence. They all hark back to the 1950s on economic policy and public expenditure. If Dr Owen seems an exception, Mr Tebbit dismissed him yesterday as a "doctor without a practice." (Jokes, incidentally, have become part of the Tory trade. Chancellor Nigel Lawson had a whole string of them.)

Another theme has emerged, the language drawn from the Labour Party in the heyday of Mr Tony Benn. It is the "irreversible shift." Mr Biffen said that it was not quite as if we are standing at the open grave of socialism, but it is clear that he and his colleagues hope that the death throes might not be far away.

The theory is that if Mrs Thatcher wins another term, socialism in Britain will be buried for good. Thus Mr Walker ended his conference speech with the warning that the Tories would thrash the Socialists as never before in the next general election.

Some speakers from the floor went further. Mr Guy Senior from Gullford spoke to a place of applause of privatising what he called the Bolshevik Broadcasting Corporation, selling off British Rail station by station, and the warning that the Tories would thrash the Socialists as never before in the next general election.

Like "at" revolutions, Mr Norman Lamont, the Financial Secretary to the Treasury, said, the Thatcher resolution "cannot stop halfway. It will go on and on into the next Parliament and the Parliament after that and no one but no one is going to be able to reverse it."

Yet it was a consolidator's conference as well. What the leadership seemed to have done was to have picked out a few areas of policy where the Government has succeeded and then produced a list of what it must do next. The successes were the reduc-



Mrs Thatcher: in defence of the realm.

Ashley Ashwood

tion of inflation, the curbing of the power of the trades unions, privatisation and the spread of share ownership. Practically every speaker referred to them in almost identical terms. Nearly all of them said that in privatisation Britain led the world. Mrs Thatcher went round the course again yesterday.

The areas singled out for the future are housing, education, training, health, law and order, the inner cities and yet more privatisation. Mr Hurd, is one of the most thoughtful but speeches, pointed out that the various ministers were all of a piece. And so they were. Better training and education might lead to more jobs, better conditions in the cities might reduce crime. Yet the astonishing fact was that here were the Tories announcing the new measures after seven years in office. They sounded more like an opposition party on the brink of power than a Government seeking a third term.

In a way it was admission of failure. It was also a recognition that the failings of the opposition parties have given the Tories a chance to do better. Mr Tebbit said at the start that if they had learned one single lesson from the experience of government so far, it was they have succeeded best where they have been most radical. The implicit message was the manifesto of the 1983

general election had been too tame and that the party must return to the "spirit of 1979." No one dissented and indeed Chancellor Lawson threw in the promise of zero inflation by the end of the next Parliament and the privatisation of practically everything left in the public sector.

In the words of Mr Biffen, when Parliament returns, the country will shift from the "politics of protest," which is natural in mid-term, to the "politics of choice" as the election approaches. The party, having made its switch to the right, can then concentrate on winning back the middle ground as the oppositions founder.

After this year's round of conferences, his thesis is not implausible, because the other parties have failed to hit the Government where it would hurt most. Mrs Thatcher referred yesterday to the responsibility which the opposition short-termists place on the Tories, and that must be an understatement. If the unity established in Bournemouth holds and she does win again, the country will have been governed without an effective opposition for more than a decade.

Perhaps the realignment in British politics that started with the formation of the Social Democrats will then continue. But it is not easy to foresee how, given the personalities involved. But all that is for the future. There are, after all, economic problems to be faced

as the Government comes back to London and the Chancellor has to do other things than keep the conference happy.

Also for the future is the election timing. Mr Lawson has long favoured waiting until 1988, which would give him room for two more budgets for tax-cutting purposes. Next year may see, too, a resumption of the economic growth that slowed in 1985 following the fall in the oil price. It might even see some fall in unemployment. That would be the best card of all if the Tories could go to the country saying that the worst was over.

Lord Young, the Employment Secretary, also seemed to be leaning to the more distant date when he stressed that all the measures announced this week will take time to have an effect. Not least, there is the attraction of keeping the Labour Party on tenterhooks as the Government goes on.

That would, I think, be the courageous decision especially as the Government has always said that it would be a long haul. But one cannot underestimate the voices in the Party who want to go sooner. Spring next year looks out because it is doubtful whether Conservative Central Office will be ready and the Government, for all the unity displayed at Bournemouth, may yet go through a rough winter. After the budget, however, there may well be an irresistible itchiness to go for October.

THE WESTERN media may not know much about chess, but they know what they like. They like Gary Kasparov. So the 23-year-old Kasparov's victory this week in his world championship match against fellow Soviet citizen Anatoly Karpov has attracted the sort of enthusiasm in the West that would have been unthinkable in the 1950s and 1960s when an earlier generation of Soviet players fought for the title of World Chess Champion.

The changing image of chess may be partly due to the rise and fall of Bobby Fischer, the US chess genius, who in 1972 took the world chess crown out of the Soviet Union for the only time since the Second World War.

But Fischer has not pushed a pawn in anger since he ground Boris Spassky into Reykjavik's volcanic tundra 14 years ago, and the Fischer chess boom was fading before Kasparov burst onto the scene in the 1980s.

For the small minority of the public who are keen chess players, Kasparov's popularity is easy to explain. His games are the most dramatic of the modern era, full of beautiful combinations and wild invention. Not for him the gradual accumulation of small advantages that characterises the play of Karpov, who succeeded Fischer as champion and has now failed in his attempt to regain the title he lost to Kasparov last year.

Kasparov's seeming tendency to indulge in the sheer gamble — it is as if he throws pieces in the air like dice, hoping they land on the right squares — has made him a favourite with the chess-playing public. This is the way they sometimes play; it entrances them to think that the World Champion has the same cavalier approach.

But this is a profound misunderstanding of Kasparov's methods. His sacrifices are never speculative, but are based on enormous quantities of mid-night oil and exhaustive calculations at the board. The risks appear great to the public only because they cannot fathom the complications that Kasparov engineers. Those who have taken him on in match

Gary Kasparov

Next move, a part in Dallas

By Dominic Lawson



play know the truth of the matter. After Britain's No 1 Grandmaster Tony Miles, was annihilated by Kasparov earlier this year he announced: "I thought I was to play a match against the world chess champion. But I was wrong. I was playing a monster with 22 eyes who sees everything."

A meeting with Kasparov is always an event. He seems to radiate energy, and traumatised opponents report the sensation that physical waves of power are driving their pieces back across the board. His manner of speech is explosive, his laugh convulsive — he is, undeniably, an extraordinary human being.

But none of this explains why Kasparov should have become a star among the wider public, and a darling of the leader columns, whose writers could

Man in the News

When Kasparov first appeared in chess journals his name was Garik. If Mikhail Tal, the great Soviet world champion of the early 1960s, had been called Mike Tal, who knows what he might have achieved?

When the West takes Kasparov to its heart because he is so far removed from its unloved stereotype idea of a Russian, it is right. Kasparov is not a Russian, like the glacial Karpov, but is half Jew half Armenian. He has spent all his life in Baku, the largest city in the Caucasus.

His emotional outbursts and effusive nature do not represent an assimilation of Western pop culture, but are simply the normal characteristics of a native of that rather unruly part of the Soviet Union. Ask any Russian.

Despite the unconventional image, Kasparov is as dutiful a member of the Soviet Communist Party as Karpov. Indeed Kasparov became a party member at the age of 19, seven years younger than Karpov. Kasparov has his own supporters in the Kremlin, notably Geidar Aliev, the Deputy Prime Minister. It is true that the years of being World Champion has given Karpov time to pack the Soviet Chess Federation with his supporters, but Kasparov has shown himself ready to battle for his domestic political position with the same ferocity that he fights for squares on the chess board.

Kasparov will probably have to defend his title again against Karpov in a year's time. He will lose only if he becomes careless. In the match just ended he was crushing Karpov 4-1, but allowed him to pull back to 4-4, suffering an unprecedented three defeats in three games.

Kasparov reacted by sacking one of his team of analysts, Evgeny Vladimirov, apparently convinced that he had been leaking secret opening analysis to the other side. It seems a most improbable reason for his defeats but he seems unable to believe that Karpov can beat him fairly and squarely in a game. That alone could prove his undoing.

Mr Page is now plotting to get Kasparov a walk-on part in Dallas. Even Bobby Fischer got no further than the Bob Hope Show. And isn't Gary a good name?

declined the gambit.) Above all Kasparov is the first chess champion to recognise the power of public relations. He has hired a British manager, Andrew Page, who has ably turned him into a personality, that category of person who is famous for being famous. Mr Page got Kasparov onto the Terry Wogan TV show, and has persuaded the Miss World organisers to appoint him as a judge at the competition in London next month. One can see it now: "The world's brainiest man to choose the world's most beautiful woman."

Mr Page is now plotting to get Kasparov a walk-on part in Dallas. Even Bobby Fischer got no further than the Bob Hope Show. And isn't Gary a good name?

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THE POUND IN TROUBLE

Lawson's problems far from over

MR NIGEL LAWSON got his standing ovation; and the Conservative Party was spared the embarrassment of finding the Chancellor's problems far from over...

Over the last year, when buoyant consumer spending has been the only real impetus to economic growth, imports have been rising by around 7% per cent in volume terms compared with an increase of about only 2 per cent in exports...

The Bank of England estimates that the halving of fuel costs and the nearly 13 per cent devaluation of the pound in the 12 months to August almost cancelled themselves out in terms of the impact on prices...

Philip Stephens Economics Correspondent

DRIVING FROM Vienna to Bonn can encourage hallucinations. You cross the border at, say, Salzburg and then seem to have to drive for another three or four hours before you get into West Germany...

Stop off in the towns and they will be filled with large images of a fat, smiling man who appears to have no neck. He is Franz-Josef Strauss. Tomorrow the people who live in Bavaria are having an election so that Mr Strauss can stay in charge...

Other West Germans are perfectly content not to disturb this picture of Bavaria. With Berlin no longer the dream city, fur-coated Munich their favourite place to play, in return, the Bavarians have given West Germany Mr Strauss, its favourite son, its most fervent patriot...

It hurt a brilliant classical scholar who still believes Latin should be compulsory in schools, Strauss' most political opponents, though probably not Schmidt himself, in contempt. He was forced to retreat to his premiership in Bavaria...

BAVARIA'S ELECTION



Still a giant in German politics: Franz-Josef Strauss

Strauss's no-lose proposition

By Peter Bruce in Bonn

He despatches CDU ministers to Mr Kohl's cabinets while turning his own nose up at jobs in Bonn. He makes "state" visits to Arab and African capitals, often, it is said, without telling the Foreign Ministry in Bonn...

entertaining prospect. Simply by making the demand ahead of next January's Federal elections Mr Strauss has gripped the nation's attention in a way that only he can. But what he has also done is draw attention to the fact that he is not Foreign Minister in the next Government then his enthralling presence may be lost for ever in Bonn...

The failure of Bavarian television to broadcast a nationally syndicated satire on the safety of nuclear power last month has led to the rather predictable suspicion that Mr Strauss either stopped it or that his influence with Bavarian television chiefs is such that he no longer even needs to direct them in matters of detail...

A question of dependants

From Mrs P. Barwise Sir - Mrs Virgo (October 4) complains that the series of specious attacks on the Chancellor's long-overdue proposals to give married women equality in the eyes of the Inland Revenue...

Letters to the Editor

exchange rate mechanism of the European Monetary System that entry just now might lead to a fall in British interest rates. In Britain they are higher than anywhere else in Europe...

whether the £27,000 per annum line can be broadly held by the Labour Party without radically changing the proposals themselves, on the basis of the figures set out above, something will have to be done...

Then where would the market stand? Korean and Taiwanese yards virtually booked through 1989, Japan presently priced out of all competition by the yen's strength and Europe almost closed down. Of such are some shipowners' dreams...

Labour Party tax proposals From Mr M. Fitzpatrick Sir - I was interested to note that the Labour Party has apparently backed off slightly from its slogan 'No one under £27,000 will be worse off as a result of the Labour Party's tax proposals'...

Shipowners fear a false dawn From K. D. Shilto Sir - Kevin Brown's thoughtful article (September 24) on the recent tanker market upsurge seems to neglect a point of some gravity and likely influence on the course of events over the next few years...

A policy for sterling From Mr B. Cassidy MEP Sir - Samuel Brittan in his excellent analysis 'Needed: a policy for sterling' (Oct. 2) might have made an additional point in favour of sterling...

Archaic voting structure

From the Managing Director, The Savoy Hotel plc Sir - In spite of the attempt by the head of press and public relations at Trusthouse Forte (September 30) to answer my letter (September 19) the fact remains that, in the six months to June 30, 1988, The Savoy Hotel converted 17.1 per cent of turnover into profit before tax...

A walk across the water

From Mr G. Tew Sir - It has come as somewhat of a shock to me, albeit a pleasant one, to realise that I am one of a small, private and select group...

Well kept secret

From the Assistant General Manager, Scottish Equitable Life Assurance Sir - For years I have believed that I was one of many thousands, my hundreds of thousands, avid daily readers of the FT...

Throttling enterprise

From Mr A. Borllett Sir - Over the next six months, many small companies will die of commercial hypoxia. The velocity of effective money in UK industry has degenerated from slow to dead slow. Soon it will cease altogether...

ADVERTISMENT BUILDING SOCIETY INVESTMENT TERMS

Table with columns: Product, Applied Rate, Net Interest, Minimum Investment, Access and other details. Lists various investment options from Abbey National to Well-kept Secret.

UK COMPANY NEWS

Maxwell making another major US acquisition

BY CHARLES BATCHELOR

British Printing & Communication Corporation, Mr Robert Maxwell's printing and publishing group, is making its second major US acquisition with the purchase of Providence Gravure for \$152.5m (£106.4m) cash.

The deal, which is expected to be completed by the end of the year, comes less than two weeks after BPCC announced it had won the backing of the board of Webb Company, another US publisher, to a \$117m takeover bid. Webb's shareholders still have to be won over, however.

Gravure is a subsidiary of the Providence Journal Company. It made profits of about \$15m in 1985 and has total assets of \$120m. It claims to be one of the largest consumer magazine and commercial catalogue printers in the US.

Gravure employs 1,700 in five plants in Providence, Rhode Island; Dallas, Texas; Richmond, Virginia; Mount Morris, Illinois and Morristown, Tennessee.

Mr Maxwell said Gravure was an attractive company because of its management strength, the quality of its printing facilities and its excellent product.

"It will help us to maximise opportunities for BPCC in the lucrative US market place," he added.

BPCC last month acquired Philip Hill Investment Trust and sold its £390m portfolio to raise funds for its ambitious expansion programme in the US and elsewhere.

Mr Maxwell has declared his intention of creating a worldwide information company with turnover of £3bn to £5bn by 1990, but has so far lacked a substantial presence in the US market.

Webb, which is based in St Paul, Minnesota, specialises in agricultural and home improvement magazines and made a pre-tax profit of \$10.5m on sales of \$177m in 1985.

BPCC also announced yesterday that the issue of shares connected with the acquisition of Philip Hill had reduced the stake held by Pergamon Press in BPCC from 74 per cent to a little less than 60 per cent. Pergamon is a private company owned by Mr Maxwell.



Initial trading in TSB Group shares was hectic yesterday morning and the price of the 50p partly-paid share briefly changed hands at 102p, having opened at 98p. However, the price later fell as small selling orders flooded the trading floor and the shares closed at 85 1/2p.

Ryman and Interlink share flotations are oversubscribed

BY ALICE RAWSTHORN

WHILE private shareholders scrambled to sell their Trustee Savings Bank shares yesterday, the flotation of Ryman, the office equipment retailer, and Interlink, the overnight parcels delivery service, both closed oversubscribed.

Ryman joined the Unlisted Securities Market eight days ago in an offer for sale by tender. The company released 3.7m shares at a minimum tender. The company released the offer closed yesterday it had received applications for around 5m shares.

Ryman's stockbrokers, L Messel, has decided to delay the announcement of the striking price of the shares and the basis of allotment until Monday. Messel was eager to avoid the confusion that the start of dealings in TSB shares has caused. And to ensure that the announcement coincides with the start of a day's dealings and of the new Stock Exchange account on Monday.

Interlink came to the USM in an offer for sale on Monday, when it became the 500th company to join the junior market. Interlink issued 3.48m shares at 185p a share and, according to its stockbrokers, Laurence Prust, received applications for almost 10m shares. The basis of allocation will be announced on Monday.

Application for Interlink shares were divided between individual and institutional investors. Interlink is the first company to have offered preferential rights to shares to its franchisees as well as to employees. Around 120 franchisees and employees applied for 184,000 shares.

Dealings in the shares of both Ryman and Interlink should begin next Friday.

Aberdeen Steak hit by lack of tourists

BY TERRY POVEY

Mr Ali Salih's Aberdeen Steak Houses yesterday surprised the market by reporting a sharp swing into the red for the first half of 1986. The company's shares fell 7p to 46p on the announcement.

Aberdeen said in a statement that growth in turnover that had been expected had not materialised. Part of the reason for this was the fall in foreign tourists visiting London, it said.

For the six months to June, the restaurant has reported a pre-tax loss of £229,000—which compares with a profit of £252,000 in 1985—on sales ahead to £4.36m from £4.05m. The loss per share is 1.9p (earnings of 1.2p). For the whole of 1985 sales were £8.92m and profits of £213,000 were reported.

Mr Salih, who is chairman, chief executive and owner of three quarters of Aberdeen's issued shares, told shareholders in the annual report that the first quarter of the year was traditionally poor and that several new restaurants had been opened in late 1985 adding to overheads.

Aberdeen Steak Houses came to the USM in August 1985 through a 67p a share placing to raise £8m which was sponsored by brokers Fiske & Co. From the start the company has been dogged by controversy and disputes with staff and former employees.

In the 1985 accounts a contingent liability of £16.174 was noted with regard to claims from employees and former employees, which were vigorously denied by the company, of underpayment of wages. In June a London court awarded some £5,000 to one group of former employees to settle claims and ordered that the rest of £16.174 be paid in to court.

The company operates 32 restaurants in the Central London area — including the Aberdeen Steak House chain, the Angus Steak Houses, the three American Hamburger and the four Maxines restaurants — and spent £1.3m in 1985 on new openings and refurbishments.

Yesterday the company said that trading conditions had improved in the third quarter and that the indications are that the full year will show an overall profit. The company's directors are carefully examining what steps can be taken to further improve the trading results said the statement.

Record profits for Prestwich

Prestwich Holdings, the rapidly-changing leisure company reported record pre-tax profits of £3.25m, against £1.96m, for the year to the end of June 1986. The directors said that the company ended the year with a strong balance sheet and firmly established in its chosen areas of operation and the subsidiaries were enjoying substantial growth.

Turnover for the Manchester-based company rose from £19.2m to £34.32m. Earnings per share came out at 6.1p (5p) and the directors are proposing an increased final payment of 0.5p, against an adjusted 0.35p, to make the total for the year 0.85p (0.525p).

In the month before the end of the year the company acquired Essex Radio, the figures for which have been included on merger accounting principles with the comparables being restated. During the year Prestwich also acquired Mobile Merchandising, one of the UK's largest manufacturers and licence holders for pop tee-shirts, optical 80 per cent of Henry's Optical and sold most of its remaining engineering interests.

The Video Collection was launched in October last year making the company the market leader in pre-recorded video cassettes, the directors said. In November Mobile acquired the rights to certain Disney characters and recently the Looney Tunes characters from Warner Brothers and the product range had been extended to include stationary and calendars. It suffers an unusually poor first half, the directors said, but recovered in the second to finish ahead of expectations.

Comment

Prestwich was once keen to disprove the old adage that the market will not make passes at leisure companies wearing glasses. However, since the sale of its optician "core business," this one time engineering company has concentrated

Petrol expansion plan blocked

BY LUCY KELLAWAY

SHAREHOLDERS in Petrol, the London-based US oil company, yesterday blocked the company's plans to double its size through a £8m rights issue and the acquisition of Apollo Energy, a private US oil company.

The proposals were overturned by a tiny majority at an egm in London, with 50.5% of the votes cast against the motion. These votes represented just 59 shareholders, far fewer than the 173 who voted in favour of the plans.

Dr Norman White, chairman of Petrol said yesterday that he was "disappointed that a small number of shareholders have, for their own reasons, prevented us from making this acquisition and denied the vast majority of our investors the considerable benefits which we believe this deal would have given them."

He was referring in part to the hostile vote cast by Inoco, a fellow US oil company, which unsuccessfully attempted to take over Petrol earlier this year. Inoco, which owns about 7 per cent, voiced its hostility to the proposals in a letter to Dr White earlier this week which argued that the deal was not in shareholders' interests.

The letter said that the rights issue would depress the share price and that the acquisition would dilute oil production and reserves per share.

Petrol said yesterday that it was not going to change its course as a result of the defeat, and was still looking for expansion opportunities. "We will not be deterred in any way from our efforts to strengthen the company for the good of all our shareholders," Dr White said.

Petrol's shares closed unchanged yesterday at 34p.

Capital restructuring at Yeoman

BY HUGO DIXON

THE directors of Yeoman Investment Trust have recommended an innovative restructuring of the trust which, it is claimed, could result in it trading at no discount to its net asset value.

Each existing share will be split into two income shares and two capital shares. The trust will be wound up in six years' time.

The income shares will have the right to all the income on investments and will be redeemed at 100p. The capital shares will get no income, but will have the right to all the capital appreciation on investments.

The City reacted well to the news. Yeoman shares, which had been trading at 35p (an 18.5 per cent discount on a net asset value of 41p) on September 30 closed at 39p, up 4p, yesterday.

Mr David Thomas, a broker at Messel, which advised the company, said that the clue to the deal was capital gearing. "In the past, a lot of split-level

Geers Gross up 7.5% to £0.33m midway

Geers ..Gross, advertising agents and consultants, reported a rise of only 7.5 per cent to pre-tax profits of £300,000, compared with last year's depressed level of £307,000 in the first half of 1986. However the directors said they were looking for a better second half with heavy spending by clients in the first period.

The result was achieved on turnover up from £47.15m to £49.59m. Earnings per 10p share came out at 1.41p (1.3p). In spite of the expected better second half the directors thought it prudent to keep the interim payment at the same 1.5p level as the first half of last year.

They added that they intended to restore the dividend to the 2p for 1986 as soon as profits justified the increase.

Comment

On the surface these results were disappointing and the City marked the shares down 4p to 70p. Sellers may, however, be regret their hastiness. Since the costly loss of the EIPN account last year, the company has won new clients, strengthened its management team and reduced overheads. These moves came too late to show through on the interim figures but, if all goes well, profits should reach about £1.5m for the year. Assuming a 35 per cent tax charge, this would put the company on a prospective p/e of about 11, two or three digits below the sector average. The risks are perhaps bigger than the cautious investor may wish to take. In the US, where most of the company's profits are generated, Geers is a small player and is thus vulnerable to a single client withdrawing support. This was demonstrated both in 1985 and 1986. Most shareholders will, however, feel that, banished skins apart, the company is now a reasonable recovery stock and can take some comfort from a prospective dividend yield of about 8 per cent.

Egyptian interest in Bridon

BY CHARLES BATCHELOR

Bridon, the wire and rope manufacturer, has discovered that Dr Ashraf Marwan, the Egyptian financier, and Mr Richard Wiesener, a former senior executive of Elders IXL, the Australian brewing group, are among its shareholders.

Bridon took the unusual step of publishing the names of the ultimate owners of several large nominee holdings following a request from Henry Ansbacher, the merchant bank, for a copy of the Bridon register.

Mr Christopher Leidsaw, Bridon's chairman, said: "I don't regard them as the sort of long-term shareholder we would like to have."

Research by Bridon and S. G. Warburg, its merchant bank, revealed that a company called Alizan Securities had a 4.15 per cent stake through Down Nominees, which is owned by Henry Ansbacher.

Alizan's shareholders are Wesel Securities, which is owned by Mr Wiesener, and Australian Farming Property, a publicly quoted Australian investment company.

The search of the share register also showed Dr Ashraf Marwan, son-in-law of the late President Nasser and a frequent trader of large blocks of shares of UK companies, as owning 4.37 per cent through Credit Suisse London Nominees.

In addition, Priory Nominees owns a 1.71 per cent stake. Just over a third of these shares belong to Ansbacher and Bridon is trying to find out the beneficial owners of the rest.

Warburg said it had been told by Henry Ansbacher that it viewed Bridon as "an undervalued situation."

Bridon last month reported a drop in its first half profits from £7.7m to £5.2m on turnover down from £174m to £146m following the disposal of its Mexican interests. Its shares were unchanged at 133p yesterday.

MEYER INTERNATIONAL said the OFT had indicated that the proposed acquisition of Brownlee did not meet the quality for investigation by the Monopolies Commission. The offer is now conditional only upon Meyer obtaining not less than 50 per cent

Offer values Wooltons at £10m

BY ALICE RAWSTHORN

Wooltons Betterware, a Midlands-based manufacturer and retailer of soft furnishings, is coming to the Unlisted Securities Market in an offer for sale which will value its business at £10.4m.

The company is the product of a demerger from the family-owned furniture and furnishings manufacturer, Queensway Securities in which all its consumer-related activities were spun off. Wooltons Betterware emerged with Wooltons, a chain of 131 soft furnishings shops and concessions, Betterware, a door-to-door catalogue selling operation, and Eskritch, which manufactures soft furnishings for the retail multiples.

"The time has come to develop these companies much more aggressively than we have in the past," said Mr Andrew Cohen, managing director, who will head the company with Mr Robert Thornton, former chairman of Debenhams, as non-executive chairman. "It made sense to spin off the three consumer companies into one publicly-quoted company."

The flotation will generate £2.08m in cash, £1.65m of which will be used to reduce the borrowings incurred by the demerger and to finance expansion. The company is eager to expand both the Wooltons shops

and Betterware catalogue distribution into new geographical areas; to introduce a new Betterware catalogue, possibly selling cosmetics and jewellery; and to expand the Eskritch product range in both the own-label and branded sectors.

Wooltons produced pre-tax profits of £720,000 on turnover of 14.56m in its last financial year to March 1. The board anticipates profits of at least £1m in the present year producing a prospective p/e of 16, at the offer price.

In the flotation 2m shares will be issued, 20 per cent of the equity, through the stockbrokers Greene, at 104p a share.

McCormquodale's forecast

McCormquodale, the printing and publishing company which is facing a £14m hostile bid from its smaller rival Norton Opax, yesterday hit back with a new forecast of a 25 per cent profit jump in 1986-87—24 hours after publishing its profits estimate for 1985-86.

McCormquodale's latest forecast comes in its defence document, which was rushed out just one day after the company announced that it had ended discussions with a potential "white knight."

In it, McCormquodale says that pre-tax profits in the year to end September 1987, are expected to rise by 25 per cent to not less than £17.5m, and total dividends for the year increase by a similar amount to 10s a share.

On Thursday, McCormquodale released its profits estimate for 1985-86—when it hopes to show

John Crowther dismisses senior employee

Another senior employee at John Crowther, the rapidly-expanding textile group, has had his contract terminated and is now considering legal action.

Mr Stewart Hollander, whose appointment on the executive board of John Crowther was announced by the company at the end of June, said yesterday: "My contract was terminated and I have passed the matter to my solicitors." He left the company in mid-September.

Mr Trevor Barker, chairman of Crowther, confirmed that Mr Hollander was no longer with the group. But he refused to comment further on the departure, saying that it was a private matter between the company and Mr Hollander.

I.G. INDEX

FT for October

1,271-1,277 (-2)

Tel: 01-828 5699

Edenspring Investments to purchase Braham Hill

Edenspring Investments has entered into a conditional agreement to acquire Braham Hill, a private company which is involved in corporate communications in the financial, commercial and industrial sectors.

The consideration is £600,000 to be satisfied by the issue to the directors of Braham Hill of 12m new ordinary shares of 10p.

Braham Hill has three directors who together own all the issued share capital — Mr Michael Braham, Mr Christopher Hill and Mr Peter Berry. After the acquisition, each will hold 300,000 shares in the enlarged share capital of Edenspring in total amounting to 34.4 per cent of the issued share capital subsequent to the acquisition.

In the meantime, Edenspring

BTR in Japan

BTR Industries, the industrial holding company, plans to issue a batch of new shares on the Tokyo stock exchange next month as part of its strategy to create a wider ownership of its equity.

The company, which has a London stock market capitalisation of about £4.97bn, hopes to sell about 3m shares, raising £10m in the first week of the month. The move follows similar listings recently in Frankfurt, Zurich, Geneva and Basle.

Ewart £1m placing

Ewart New Northern, the Belfast-based property company, is raising £1.1m via a placing of 1.1m new ordinary shares at 110p each. The placing has been arranged by Capel-Tod Myers and will help fund Ewart's purchase of a stake in Joseph Webb, a holiday and property company, which will now reach 12.6 per cent.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corr. year	Total last year	Total year
Arcoelectric	0.25	Nov 17	0.25	—	—
Geers Gross	1.5	Jan 8	1.5	—	3
Lorria	11	Jan 2	—	—	2.5
Prestwich	10.5	—	0.35*	0.85	0.53*
Dividends shown in pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.	12.0	Dec 1	1.65	3.3	2.75

GRANVILLE

Granville & Co. Limited

8 Lovell Lane London EC3R 8BP

Telephone 01-621 1212

Member of Fimbu

High	Low	Company	Price	Change	Gross Yield	P/E	July
146	118	Ass. Brit. Ind. Ord.	133	—	5.5	8.1	7.6
181	151	Ass. Brit. Ind. CULS.	130	—	10.0	17	—
125	43	Airspur Group	36	—	7.6	7.9	5.4
46	28	Armite and Rhodes	30nd	—	4.2	11.7	4.8
195	168	Bardon Hill	165	+2	4.6	2.4	22.2
81	42	Bry Technology	80	—	3.3	5.4	9.5
201	75	CCY Ordinary	91	—	2.9	3.2	6.8
152	83	CCL 11pc Conv. Pl.	88	—	15.7	17.8	—
273	230	Carborundum Ord.	225	—	7.9	12.0	12.2
94	83	Carborundum 7.5p Pl.	92	—	1.0	10.7	—
139	46	Debonair Services	139	—	7.0	5.0	14.5
32	20	Federick Parker Group	23	—	3.5	3.8	2.7
126	50	George Blair	105	—	4.3	5.4	8.5
88	20	Ind. Precision Castings	39	+2	3.0	3.4	23.5
218	152	Isis Group	152nd	—	18.2	12.0	8.7
123	101	Jackson Group	126	—	8.1	4.8	8.5
102	58	Record Highway 10cP	57	-2	7.8	8.8	6.7
100	85	James Burrough SpcPl.	93	-1	12.9	13.8	—
1035	342	Multihouse NV	790	-40	—	—	41.4
380	280	Record Highway Ord.	378	—	5.7	4.7	7.4
122	88	Treva Holdings	122nd	—	7.8	8.8	6.7
68	32	Robert Jenking	68	—	14.1	16.0	—
38	28	Scoutons "A"	37	—	—	—	3.8
122	88	Treva and Carlisle	122nd	—	5.7	4.7	7.4
70	25	Unilock Holdings	69	—	2.8	4.1	12.7
102	47	Walter Alexander	98nd	—	5.0	5.1	9.4
228	190	W. S. Yeates	197	—	17.4	9.8	19.7

Tiphook rights

Tiphook has announced that 4.89m shares have been taken up in its rights issue (99.2 per cent). The balance has been sold in the market.

RESULTS

ALVA INVESTMENT TRUST reported a first half to August 31 1986, net profit of £52,000 (£28,000) after tax £13,000 (£12,000). Earnings were 2.9p (1.5p) and the interim dividend again 1.5p net. Gross revenue £134,000 (£125,000) including investment income £117,000 (£80,000). Net asset value £20.4p (£25.3p) per share.

AL HOLDINGS reported a loss of £71,000 for nine months ended June 30, 1986 (loss £51,000 previous year) on turnover of £115,000 (£253,000). Extraordinary charges £120,000 (£96,000) comprised redundancy costs £38,000 and guarantee of subsidiary's overdraft and lease £82,000. Significant write-off of stock and substantial provision for liabilities in respect of forfeiture of lease; they totalled £151,000 in addition to redundancies. Auditors have qualified accounts as a result of loss of certain key accounting records for period before April 16, 1986. But chairman confident that controls instigated by new board were such that the situation would not be repeated. Negotiations for sale of Thames Ditton property at advanced stage.

YEARLING bonds totalling £1.8m at 11 per cent redeemable on October 14 1987, have been issued by the following local authorities. Ipswich Borough Council £0.5m; Tamworth (Borough of) £0.25m; Brentwood District Council £0.25m; Fressingfield DC £0.25m; Wansbeck DC £0.3m; West Lancashire DC £0.25m.

NEW COURT Natural Resources rights issue has been taken up at 91.4 per cent of 36.67m

COMPANY NEWS IN BRIEF

received from £266,000 to £158,000. On turnover of £8,000 (£13,000), gross loss was £3,000 (£2,000 profit) and administration expenses were £156,000 (£154,000). With the fall in the oil price having cut development spending in the North Sea, the board is considering using its cash resources of more than £2.8m in lower-cost areas of the UK.

MUSTERLIN GROUP, publisher of art and art history books, reported pre-tax profits of £36,000 (£30,000 losses) in the six months to June 30 1986. Turnover of this USM company was £3.16m compared with £2.01m. Given these encouraging first half results and, with the larger proportion of the group's trading falling in the second half, the directors look forward with confidence to the full year results. An interim dividend of 1p 1/4 being paid.

BIDS AND DEALS

HUNTING PETROLEUM Services has purchased 65.44 per cent of Solette Anonyme Fleurville, a French investment and property owning company, for £45,000 (£4.21m) payable in cash. Net assets of Fleurville at December 31 1985 were £672,000 (including £440,000 cash and short-term investments) and pre-tax profits for 1985 were £203,000.

CHRYSALIS GROUP has acquired 50 per cent of Showplay, a new company which has not traded and therefore has no profits history. Total consideration is the allotment of 125,000 ordinary shares in Chrysalis. Showplay will operate in the area of "events" including exhibitions, product launches, conferences, etc.

lumiery will advance shows. The vendor will continue to own the remaining 50 per cent and will manage the Showplay business.

LEE INTERNATIONAL is to acquire Delta Sound Services, a maker of sound tracks for the film industry. Consideration is 375,000 Lee ordinary shares and £300,000 cash. Delta made after-tax profits of £37,948 in the year to August 31, 1985 on £416,688 turnover.

BRITISH LAND has acquired 16-38 Penclureh Street and 1-3 Mincing Lane, London EC2, for £20.2m. The two freehold properties occupy the corner site adjacent to Plantation House, the company's new office building.

معلومات

INTL. COMPANIES and FINANCE

COMMODITIES AND AGRICULTURE

Intel in the red and seeks disposal

INTEL CORPORATION, one of the largest US semi-conductor manufacturers, reported steep third quarter losses and announced that it will abandon its efforts in bubble memory technology.

seeking a buyer. About 240 jobs may be cut as a result of this action, the company said, Intel pioneered the bubble memory, a solid state magnetic technology that can withstand harsh environments.

\$5120m placing of Sime shares

A BLOCK of shares in Sime Darby, the Malaysian plantation, property and industrial group, was sold yesterday through a private placement.

securities houses involved in the transaction refused to identify the seller. The shares were placed at \$1.10, the closing price of Thursday's closing prices of \$1.81, but appear to have found ready buyers among Far Eastern and UK-based investors.

Martell hit by decline in HK dollar

MARTELL, the French cognac producer, has shown a steep drop in net income for the year ended June 30, to FF105m (\$18m) from FF160m in the previous 12 months.

Goldsmith bids for French publishing group

SIR JAMES GOLDSMITH yesterday entered the takeover battle against Mr Carlo De Benedetti, the Italian financier and entrepreneur, for control of Presse de la Cite, France's second largest publishing group.

Dutch ministry weeds out stockbroker applications

THE Dutch Finance Ministry has turned down a large proportion of the more than 100 applications for broker licences made under the Netherlands' new securities trading law.

Union Bank of Finland to raise \$195m

UNION BANK OF FINLAND will raise a total of FF 954m (\$195m) through a domestic rights issue and an equity warrant bond launched in West Germany.

Safeway down in third quarter

SAFeway, the leading US supermarket chain which earlier this year announced a \$4.2bn leveraged buyout, suffered a decline in third-quarter profits from \$89.1m or \$1.49 a share to \$75.5m or \$1.21 a share.

Alfa-Laval profits growth slows in first eight months

ALFA-LAVAL, the Swedish heavy machinery and process engineering group, has reported a decline in sales and profits in the first eight months of the year following strong recovery during 1985.

Kansallis lifts net income 7%

KANSALLIS-Osake Pankki, one of Finland's leading banks, has reported a 7 per cent increase in net income before appropriations and taxes to FF 220m (\$45m) for the first nine months of 1986.

Montedison struggle enters a decisive phase

IT HAS been an absorbing week in Italy for addicts of corporate bloodsports. The raw struggle for power between the management of Montedison and a group of its shareholders entered a decisive phase on Thursday when Mr Raul Gardini, president of the Bersani group, revealed that his companies now held a crucial 14.5 per cent stake in the Italian chemical giant.

with last time, the group said. At the nine-month stage net profit rose to \$10.6m or \$1.80 a share from the previous \$164.7m or \$2.74 a share. Revenues edged ahead to \$13.7bn from \$13.66bn.

Montedison struggle enters a decisive phase

On the surface—and this is certainly how large sections of the Italian press have interpreted it—Mr Gardini's intervention looks like securing Mr Schimberni's victory over Mr Cuccia for control of Montedison and La Fondiaria.

WEEKLY PRICE CHANGES

Table with columns: Commodity, Latest price, Change, Year ago, High, Low. Includes METALS, GRAINS, OILS, and OTHER COMMODITIES.

US MARKETS

Table with columns: Commodity, Close, High, Low, Prev. Includes GOLD AND PLATINUM, COFFEE, SUGAR, and SILVER.

NEW YORK

Table with columns: Commodity, Close, High, Low, Prev. Includes ALUMINUM, COFFEE, and COTTON.

CHICAGO

Table with columns: Commodity, Close, High, Low, Prev. Includes LIVE CATTLE, LIVE HOGS, and SOYBEAN MEAL.

REUTERS INDICES

Table with columns: Index, Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, Oct 3, Oct 2, Oct 1, Year Ago.

COPPER

Table with columns: Grade, Unofficial price, High/Low, Business Done.

POTATOES

Table with columns: Month, Close, High, Low, Prev. Includes various potato grades.

LEAD

Table with columns: Unofficial price, High/Low, Business Done.

NICKEL

Table with columns: Unofficial price, High/Low, Business Done.

TIN

Table with columns: Unofficial price, High/Low, Business Done.

ZINC

Table with columns: Unofficial price, High/Low, Business Done.

GOLD

Table with columns: Gold price, High/Low, Business Done.

SILVER

Table with columns: Silver price, High/Low, Business Done.

SOYBEAN MEAL

Table with columns: Soybean meal price, High/Low, Business Done.

WHEAT

Table with columns: Wheat price, High/Low, Business Done.

BARLEY

Table with columns: Barley price, High/Low, Business Done.

HEAVY FUEL OIL

Table with columns: Heavy fuel oil price, High/Low, Business Done.

LEADED GASOLINE

Table with columns: Leaded gasoline price, High/Low, Business Done.

COFFEE

Table with columns: Coffee price, High/Low, Business Done.

COCOA

Table with columns: Cocoa price, High/Low, Business Done.

SOYBEAN MEAL

Table with columns: Soybean meal price, High/Low, Business Done.

MEAT

Table with columns: Meat price, High/Low, Business Done.

DEALS

Vertical text on the left margin, likely related to the Montedison article.

DEALS

Vertical text in the middle margin, likely related to the Montedison article.

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Vertical text in the middle margin, likely related to the Montedison article.

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Vertical text in the middle margin, likely related to the Montedison article.

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for various companies in New York, including AAR, AMCA, AMCO, etc.

NEW YORK INDICES

Table showing various stock indices such as Dow Jones, S&P 500, NYSE, etc.

CANADA

Table of stock prices for various companies in Canada, including Alcan, Inco, etc.

WALL STREET

Market commentary text discussing stock market trends, trading volumes, and analyst reports.

ASIA

Table of stock prices for various companies in Asia, including Nippon, Daiichi, etc.

EUROPE

Table of stock prices for various companies in Europe, including Shell, BP, etc.

AUSTRALIA

Table of stock prices for various companies in Australia, including BHP, Rio Tinto, etc.

GERMANY

Table of stock prices for various companies in Germany, including Volkswagen, Daimler, etc.

NORWAY

Table of stock prices for various companies in Norway, including Statoil, etc.

SPAIN

Table of stock prices for various companies in Spain, including BBVA, etc.

SWEDEN

Table of stock prices for various companies in Sweden, including Volvo, etc.

ITALY

Table of stock prices for various companies in Italy, including Fiat, etc.

NETHERLANDS

Table of stock prices for various companies in the Netherlands, including Shell, etc.

Slightly off in slow trading

Market commentary text focusing on Wall Street trading activity and market sentiment.

Delchamps jumped \$6 to \$25

Market commentary text discussing the performance of Delchamps and other market participants.

Switzerland

Market commentary text discussing the Swiss market and international trade.

Germany

Market commentary text discussing the German market and economic indicators.

Japan

Market commentary text discussing the Japanese market and global trade.

Singapore

Market commentary text discussing the Singapore market and regional trade.

South Africa

Market commentary text discussing the South African market and international relations.

CANADA

Table of stock prices for various companies in Canada.

AUSTRIA

Table of stock prices for various companies in Austria.

GERMANY

Table of stock prices for various companies in Germany.

NORWAY

Table of stock prices for various companies in Norway.

SPAIN

Table of stock prices for various companies in Spain.

SWEDEN

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ITALY

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NETHERLANDS

Table of stock prices for various companies in the Netherlands.

FRANCE

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Advertisement for 'Chemical 350' with a stylized logo and text.

CURRENCIES & MONEY

FOREIGN EXCHANGES

Dollar resumes weaker trend

THE DOLLAR fell to its worst closing level for over five and a half years against the D-Mark yesterday, following comments by Mr Klaus Kohler, a director of the West German Bundesbank, that previous intervention had not been aimed specifically at holding any particular dollar/D-Mark level.

Trading conditions were further complicated by the proximity of the weekend and Monday's partial closure in the US for a holiday. Mr Kohler added that the central bank could not hope to arrest the dollar's decline but merely slow it. In addition the resignation of

Bank America's chief executive sided further to the dollar's bearish trend. Against the D-Mark it closed at DM 1.9885 down from DM 2.0085 on Thursday and ¥154.40 compared with ¥154.80. It was also lower against the Swiss franc at SFr 6.5075 from SFr 6.5575. On Bank of England figures, the dollar's exchange rate index fell from 108.1 to 107.2.

Sterling finished slightly up on Thursday's close. Trading during the morning and early afternoon saw the pound trade within a narrow range but it fell away in the afternoon, as the dollar weakened. The pound turned round at the close to finish at 67.6 on its exchange rate index, down from 67.7 at the opening but up from 67.5 at Thursday's close.

Trading volume was comparatively thin ahead of the weekend as well as the closure of Japanese markets and Monday's partial closure in the US. UK interest rates in the finished down from Thursday although there was still considerable support for a rise in base lending rates next week.

Oil prices were little changed while the market found little concrete evidence of any outcome to the current meeting of Opec ministers. The pound closed at £1.6325 against the dollar up from £1.6215 on Thursday but was slightly weaker against the D-Mark at DM 2.9475 from DM 2.9500. It was higher against the yen at ¥221.50 from ¥220.25 and SFr 4.32 from SFr 4.3175. Against the French franc it rose to FFr 9.33 from FFr 9.3225.

£ IN NEW YORK

Table with columns for Oct 10, Oct 9, and Previous. Rows include 1 month, 3 months, 6 months, and 12 months.

STERLING INDEX

Table with columns for Oct 10, Oct 9, and Previous. Rows include 5.00, 10.00, 15.00, 20.00, 25.00, and 30.00.

CURRENCY RATES

Table with columns for Oct 10, Bank, Special, and Previous. Rows include Sterling, Canadian \$, Swiss Franc, etc.

CURRENCY MOVEMENTS

Table with columns for October 10, Bank of England, and Morgan. Rows include Sterling, U.S. Dollar, etc.

OTHER CURRENCIES

Table with columns for Oct 10, £, and \$.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns for Oct 10, Close, One month, and % chg. Rows include US, Canada, Netherlands, etc.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns for Oct 10, Day's spread, Close, and % chg. Rows include UK, Canada, Netherlands, etc.

EURO-CURRENCY INTEREST RATES

Table with columns for Oct 10, Short term, 7 day, and 6 months. Rows include Sterling, Can. Dollar, etc.

EXCHANGE CROSS RATES

Table with columns for Oct 10, £, \$, DM, YEN, F.Fr., S.Fr., H.Fr., Lin, C.S., S.Fr.

MONEY MARKETS

Bank continues to hold fast

The Bank of England declined all offers at yesterday's Treasury bill tender for the second week running, underlining its determination to retain the current interest rate structure. There were sufficient applications for £200m of bills at 9.75 per cent, but the bank considered the price bid would have led to an officially unacceptable rise in the average rate of discount.

UK clearing bank base lending rate is 10 per cent since May 22. Next week while others claimed that two points were required to restore confidence that the authorities would resist a rise in rates completely. The latter view gains credibility with time.

The timing of any possible rise will be of crucial importance to discount houses because at the moment with Bank of England dealing rates held down, houses have been able to buy three-month eligible bills as high as 10 1/8 per cent during the week and after seven days sell them on to the bank at 9 1/2 per cent. A rise in dealing rates during this period would prove expensive.

FT LONDON INTERBANK FUNDING

Table with columns for Oct 10, Oct 9, and Offer %.

MONEY RATES

Table with columns for One month, Two month, Three month, Six month, and One year.

NEW YORK

Table with columns for One month, Two month, Three month, Six month, and One year.

LONDON MONEY RATES

Table with columns for Oct 10, Overnight, 7 day, and 6 months.

NEW YORK

Table with columns for One month, Two month, Three month, Six month, and One year.

LONDON MONEY RATES

Table with columns for Oct 10, Overnight, 7 day, and 6 months.

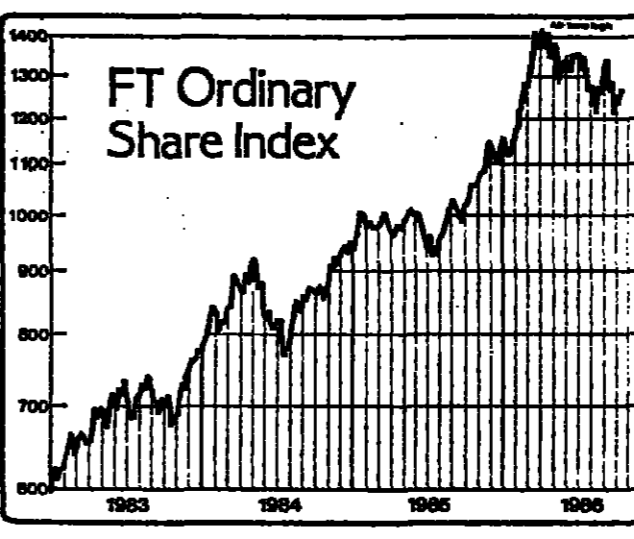
LONDON STOCK EXCHANGE

TSB dealings dominate equity markets

Account Dealing Dates: First Declared Last Account Dealing Date, Oct 29, Oct 10, Oct 29, Oct 11, Oct 23, Oct 24, Nov 1, Oct 27, Nov 6, Nov 7, Nov 17.

FINANCIAL TIMES STOCK INDICES table with columns for Oct 10, Oct 9, Oct 8, Oct 7, Oct 6, year ago, and 1986 High/Low.

through support. The uptick was that Barclays closed 13 lower at 482p, after 482p, and Lloyds refashioned 6 at 414p, after 417p. Midland also cheapened 6 at 537p, after 537p, and NatWest gave up 6 at 537p, after 537p.



537p, while Countrywide rose 15 to 420p on the reappearance of institutional buyers. Instock Jones continued to move forward on takeover hopes and closed 10 higher at 182p; Streetly are mentioned as the most likely suitor, although Redland are thought to be another interested party.

Stores subdued: Interest rate uncertainty made for another subdued session in leading Stores. Most issues gave modest ground with dealers reporting merely minimal enquiry for the new Account Elsewhere.

LONDON TRADED OPTIONS

Large table with columns for CALLS and PUTS, and various option contracts like Allot Lyon, S.P., etc.

control of the company had passed to Mr Nigel Wray, eased initially to 80p before fresh support left the price uncrushed on the day at 85p.

British and Commonwealth rebounded from a year's low point on realisations that the shares were now fundamentally cheap and closed 17 up at 234p; the interim statement is expected shortly.

Investment Trust presented two outstanding movements. Yeasman jumped 42 to 354p, after 352p, after news of the proposed structural changes to that of a split level trust, while China and Eastern law rose 16 to 70p following comment of Thursday's nine-month results and sharply higher net asset value figure.

Other gold miners also displayed large losses and usually finished around the day's low levels. Central Newsman fell 20 to 74p, while Emperor gave up 17 to 27p and Parings fell 14 to 11p.

Platinum producers gave fresh ground behind the lower metal price—Platinum was quoted around \$578 an ounce during the afternoon—with Sustenbara 15 off at 77p.

Lucas Industries were unable to extend Thursday's sharp recovery, despite selling-off of the overnight loss at its start of the session, but with most other blue chips, finally losing 10 at 528p; but Appleyard responded to "new-time" demand and gained 7 to 143p.

Business in Traded Options exceeded all expectations. The introduction of TSB proved to be a resounding success with the class attracting 47,118 trades, comprising 26,322 calls and 21,896 puts.

Money was given for the call of TSB, Traxwood, Blacks Leisure, Abaco, Investments, Freshgate Foods, William Bonham, Peck, Palma, Corby, North Kalunga, Checkpoint Europe, Grand Merit, Atwoods, Crusader Lister, Gilbert House, Carr Boyd, Wordpiece, Mitchell Cotts and Amstrad. Puts were done in TSB and Jessups, while doubles were transacted in Bestwood and TSB.

كوزمان الكمال

LONDON RECENT ISSUES

EQUITIES

Table of equity issues with columns for Name, Price, and other financial metrics.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Name, Price, and other financial metrics.

"RIGHTS" OFFERS

Table of rights offers with columns for Name, Price, and other financial metrics.

Informational text regarding the rights offers section, including details on company names and offer types.

VENTURE CAPITAL

The Financial Times is proposing to publish a Survey on VENTURE CAPITAL on Monday, December 8, 1968.

For further information, please contact: Colin Tennant, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data with columns for Series, Vol., and other market indicators.

Table of bank return data with columns for various bank categories and their respective values.

BANK RETURN

Table of bank return data, including sub-sections for LIABILITIES and ASSETS.

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts with columns for Name, Price, and other details.

FT UNIT TRUST INFORMATION SERVICE

Very large table listing FT Unit Trust Information Service data, including various trust names and their performance metrics.

Small vertical table on the far right edge of the page, likely a continuation of the Unit Trust information.

AUTHORISED UNIT TRUSTS & INSURANCES

Table listing various insurance and unit trust products, including 'Whitbread Unit Trust Managers', 'Windsor Trust Managers Ltd', 'Wright Settlement Fund Managers', and 'AA Family Society'. Each entry includes a brief description and a list of associated funds with their respective values and performance metrics.

Table listing various insurance and unit trust products, including 'Family Assurance Society', 'Imperial Life Ass. Co of Canada', 'Imperial Life (UK) Ltd', and 'Imperial Investment Portfolio'. Each entry includes a brief description and a list of associated funds with their respective values and performance metrics.

Table listing various insurance and unit trust products, including 'Norwich Union Asset Management Ltd', 'Norwich Union Life Insurance Co Ltd', 'Norwich Union Life Assurance Co Ltd', and 'Norwich Union Life Assurance Co Ltd'. Each entry includes a brief description and a list of associated funds with their respective values and performance metrics.

Table listing various insurance and unit trust products, including 'Scottish Amicable Life Assurance Co Ltd', 'Scottish Amicable Life Assurance Co Ltd', 'Scottish Amicable Life Assurance Co Ltd', and 'Scottish Amicable Life Assurance Co Ltd'. Each entry includes a brief description and a list of associated funds with their respective values and performance metrics.

Handwritten signature or stamp at the bottom center of the page.

Thursday October 11, 1986

Table of financial data, including company names, stock prices, and market indices.

INSURANCE, OVERSEAS & MONEY FUNDS

Main table of financial data, organized by category: Insurance, Overseas, and Money Funds. Includes company names, fund names, and numerical values.

Table of financial data, including Money Market, Money Market Trust Funds, and Money Market Bank Accounts. Includes company names, fund names, and numerical values.

TRADITIONAL OPTIONS 3-month call rates. Table with columns for industries and call rates.

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, and % Change. Includes sub-sections for 'Shorts' (Lines up to Five Years) and 'Five to Fifteen Years'.

AMERICANS—Cont.

Table of American Stocks with columns for Stock, Price, and % Change. Includes sub-sections for 'Over Fifteen Years' and 'CANADIANS'.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS—Cont.

Table of Building, Timber, and Roads stocks with columns for Stock, Price, and % Change.

DRAPERY & STORES—Cont.

Table of Drapery and Stores stocks with columns for Stock, Price, and % Change.

ENGINEERING—Continued

Table of Engineering stocks with columns for Stock, Price, and % Change.

INDUSTRIALS—Continued

Table of Industrial stocks with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Stock, Price, and % Change.

ELECTRICALS

Table of Electrical stocks with columns for Stock, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) stocks with columns for Stock, Price, and % Change.

INDEX-LINKED

Table of Index-Linked stocks with columns for Stock, Price, and % Change.

BANKS, HP & LEASING

Table of Banks, HP & Leasing stocks with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Stock, Price, and % Change.

GOVT. BANK AND ISSUES

Table of Government Bank and Issues with columns for Stock, Price, and % Change.

CORPORATION BONDS

Table of Corporation Bonds with columns for Stock, Price, and % Change.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits stocks with columns for Stock, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, and % Change.

LOANS

Table of Loans with columns for Stock, Price, and % Change.

HIRE PURCHASE, LEASING, ETC.

Table of Hire Purchase, Leasing, etc. with columns for Stock, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Stock, Price, and % Change.

AMERICANS

Table of American stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table of Building, Timber, Roads stocks with columns for Stock, Price, and % Change.

ENGINEERING

Table of Engineering stocks with columns for Stock, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Stock, Price, and % Change.

INDUSTRIALS

Table of Industrial stocks with columns for Stock, Price, and % Change.

Handwritten signature 'John G. S. D.' in a stylized font.

Financial Times Saturday October 11 1986

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various engineering firms. Columns include company name, price, and other financial metrics.

LEISURE - Continued

Table of leisure and entertainment stocks such as British Airways, British Telecom, and various media companies.

PROPERTY - Continued

Table of real estate and property-related stocks, including various land and building companies.

INVESTMENT TRUSTS - Cont.

Table of investment trusts offering various asset classes and geographical exposures.

FINANCE, LAND - Cont.

Table of financial and land-related stocks, including banks and insurance companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft industry stocks, including manufacturers and suppliers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including major media outlets.

SHIPPING

Table of shipping and maritime industry stocks.

OVERSEAS TRADERS

Table of overseas trading companies and international investment funds.

PLANTATIONS

Table of plantation and resource stocks, including rubber and palm oil producers.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising industry stocks.

SHOES AND LEATHER

Table of shoe and leather goods industry stocks.

SOUTH AFRICANS

Table of South African stocks and companies.

TEXTILES

Table of textile and clothing industry stocks.

TOBACCS

Table of tobacco industry stocks.

INSURANCE

Table of insurance company stocks.

PROPERTY

Table of property and real estate stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

FINANCE, LAND, ETC.

Table of finance, land, and other miscellaneous stocks.

MINES

Table of mining industry stocks.

WEEKEND FT

Saturday October 11 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BC

There's more to the World Wildlife Fund than panda preservation. Richard Rolfe looks at an increasingly popular area of business sponsorship.

ENVIRONMENTALISTS and the business community were sworn enemies 15 years ago. Today they are increasingly working together for their mutual benefit. Businessmen are sensitive to special interest groups and have been stung by past attacks. Now they have moved to support conservationist causes—partly to disarm their critics, and partly because they have discovered that links with conservation projects can help the bottom line.

At the same time the environmentalists, written off these many years as scandalous freaks, have moved gradually into the mainstream. Jonathon Porritt, of Friends of the Earth, thinks the Greens' success in the West German elections of 1980 was crucial in changing the perceptions of businessmen and politicians. "Any party which could elect 26 MPs wasn't just about weirdoes," he says. Since then, "We have become part of the political process in an enduring way."

The key intermediary in the rising flow of funds now being channelled from business sources into environmental projects is the World Wildlife Fund. It celebrates its 25th anniversary this year. Many other conservation bodies can claim greater seniority, but the Fund has worked its way into pole position by virtue of its success in raising money. It is also close to government, acting, for example, as the Department of the Environment's agent in the official drive to raise business sponsorship for conservation and advising the Foreign Office on the environmental impact of aid projects. William Waldegrave, the Environment Minister, is an enthusiast for the WWF: "It could teach a few businesses I know a thing or two about management."

Originally the brainchild of Sir Peter Scott and a number of well-known naturalists, the Fund began operations in Switzerland with emphasis on saving rare animal species from extinction. Among its enduring successes are the panda, the tiger and the Arabian oryx. An early supporter, too, was Prince Philip, who was the founder-president of the Fund's UK branch in 1961 and is today its international president. He is deeply involved in Fund activities: he estimated that they absorb 15 per cent of his time when he interviews them about his work for the Fund earlier this year. Only the International Equestrian Federation claims a similar commitment.

As conservation efforts progressed during the 1960s and 1970s it became more and more apparent, Prince Philip observed, that the Fund's work had to go beyond rescuing threatened species. "Whole eco-systems are under threat now." A proportion of the Fund's money still goes into species protection, "but the rate of exploitation of the world's resources is so fast that if you don't put your money down quickly, there'll be nothing left to protect." Things would be a great deal worse, he believes, but for the Fund, which has channelled \$50m to more than 4,000 conservation projects since its inception.



Call of the wild

Faced with this sort of challenge, the WWF began to seek increasing levels of funding from the business community and to reshape itself along businesslike lines. In this process the key figure in the UK branch of the Fund, one of 24 national branches affiliated to the international headquarters in Geneva, has been its current director, George Medley. Now 55, he has been director for eight years and does not anticipate a change of job before retirement in 10 years' time.

At his office in the Fund's UK headquarters in Godalming, Surrey, Medley is proud of the operation's growth and productivity. The year he took over, the income of the UK branch was £800,000; grants to conservation projects amounted to £500,000; the staff complement was 70. By 1985 income had risen to £2m; £2m flowed into conservation—and staff numbers were unchanged.

Medley says that all his heads of departments are ex-industry, and most new recruits have a background of industry or commerce, particularly in the highly effective fund-raising section. Like any good businessman Medley is looking for continued growth. His target is an income of £10m by 1988, the bulk of it from business.

how often £20 in notes comes through the door—and trading. From 20,000 in 1978 membership has built to 400,000 active names at present—a valuable mailing list, though one which the Fund refuses to sell or rent out.

The list of blue chip companies which have already sponsored projects through the Fund is impressive. It includes Ford, Fiat, BP, Consolidated Gold Fields, Beecham, IBM, Whitbread, Citibank and Pearl Assurance. All of these have accepted that sponsoring conservation is "not a matter of altruism" (in the phrase of Sir Arthur Norman, a trustee-emeritus of the Fund and chairman of De La Rue). This year the Fund obtained its biggest sponsorship ever, a commitment of £12m spread over three years from Heinz. This, the "Guardians of the Countryside" campaign, will fund a large number of conservation projects and, says John Hinch, Heinz managing director, "underlines our sense of social responsibility."

The WWF philosophy is that a conservation sponsorship can achieve a number of aims, of which polishing a social responsibility image is only one. Support for projects, says Jane Kaufman, head of corporate fundraising for the WWF, can help new product launches, new business contacts and achieve a heightened brand loyalty. One satisfied customer is Cadbury. The company linked with the Fund in 1985 to launch its Wildlife Bar, aimed at the

four to seven year old age group. The candy bars come in a range of six different wrappers, each depicting an endangered animal; with every purchase, the WWF gets a donation. Cadbury says "tens of thousands" of pounds have been raised for the company's nominated projects: preserving international wetlands, and tree conservation in English woodlands. Supporting the launch was an 18-page wildlife book in exchange for 12 wrappers. It attracted a staggering 200,000 applications. Cadbury says its sales of 20 gm bars are up 30 per cent "and we have helped establish ourselves as a caring, socially-minded company."

Selling merchandise on the back of an animal logo is not new, as a score of products, from the HMV dog to British Telecom's sp. demonstrate. Nor is WWF participation essential. What the Fund does identify conservation projects in need of support; its current selection with their accompanying "price guides" resembles an estate agent's magazine and the WWF markets them to selected targets as a means of attaining defined corporate objectives.

One company which proved susceptible to the Fund's charms was Office Cleaning Services, the cleaning group. Geoff Dove, marketing director of OCS, says that three years ago he had become disillusioned with the group's traditionally sports-orientated promotions. "The majority of them do little for the sponsor and some can even detract," Dove says. "The classic was Gillette, which withdrew from sponsorship of the Gil-

lette Cup when it kept being asked for cricket bats." Dove found that his promotions using prominent sportsmen "attracted too many free-loaders and undesirables, while the fact that someone can kick a ball doesn't mean he can make a speech."

Approached by "rescuing a chunk of Brazilian rain forest" but he was eventually persuaded to help save the British barn owl instead. Recalling the campaign, George Medley notes that the Fund picked the barn owl "because it works at night and controls rodents—very suitable for an office cleaning concern." Dove who confesses that he did not realise the barn owl was in trouble until he was on the receiving end of a WWF sales drive, says his worst moment came when he unveiled the plan to his board. "There was a long silence, then they all fell about laughing."

But within a few months, Dove claims attitudes had changed. OCS found great latent interest in the environment, it began to get improved attendance by a higher level of management among customers at its sales seminars. Moreover, the conversion rate of prospects into OCS customers has improved.

Business sponsorships have involved companies with a large customer base, producing fast-moving consumer goods. The relentless fund-raising drive has been extended to financial institutions. Prudential Corporation has supported the British Trust for Conservation Volunteers, the leading charity which tackles conservation work. Peter Traynor, the Pru's publicity manager, says the original involvement came about when government asked the WWF to get more money from business: "They thought the BTCV would be right up our street."

The attraction for the Pru is that the BTCV works throughout Britain—as a national company we have to be even-handed—and would reach parts of the market the Pru was missing, particularly the target group in the 15-25 range. BTCV projects, such as repairing stone walls or digging ditches, are practical—"and there's something left at the end of the day," Traynor points out. "Not like a concert or a sporting event." He admits to a touch of pride when he passes the Long Man of Wilmington—"It's good to know we're restoring the left foot"—and says an added bonus is the enthusiasm which conservation sponsorship generates. "You've got to see the kids working on a project to see what fun they're having," Traynor concludes.

Britain's chalk giants may have a special attraction for sponsors. Reclanking the Cerne Giant, a particularly rampant figure, proved a satisfactory exercise for the BTCV and Heineken, which said that in this instance it was "refreshing the parts other beers aren't reaching."

Both Prince Philip and George Medley emphasise that the essential point about the WWF is that it is not involved in conservation as such: its business is raising money for the support of specific projects and for distribution to conservation bodies. For example, Medley says, the WWF gives large amounts of money to organisations like the Royal Society for the Protection of Birds and the Royal Society for Nature Conservation, the umbrella for the country naturalists' trusts. The structure which has evolved in Britain's conservation movement is a strong fundraising capacity centred on, though not exclusive to, the WWF; and a huge diversity of professional and amateur groups all doing their own thing. So the money-raising side tries to operate as efficiently as possible, while the diversity of individual money-spend-

ing bodies harnesses the zeal of individual conservationists to the fullest extent.

However, of the funds which Medley's WWF team raises in the UK, two-thirds are spent internationally. After allowing for expenses, Prince Philip explains, the national WWF bodies can retain one-third of net revenue for domestic projects. A third goes to WWF in Geneva for outlay on international projects, and a third can be spent by the individual national WWF branches on international projects "in consultation with the international organisation." The relationship of the Geneva HQ to the national WWF branches is, possibly, unique. The 24 national branches, are, in George Medley's definition, "autonomous charities," the only legal link being that they are allowed to use the panda logo, a trade mark of the international body.

In the worldwide portfolio of conservation projects, those protecting wetlands and rain forests are now high priorities. But these "habitat protection" projects are increasingly beyond the scope of either business or the Fund to resolve. "They can't be dealt with as straight conservation problems," says Prince Philip. "As with acid rain, there's a huge pollution problem, but there's also huge government and public interest." Environmentalists like Jonathon Porritt see this as an indication that conservation issues are rapidly assuming greater importance, admittedly not yet on a par with defence or unemployment, but very much at the front of the second-rank issues.

In William Waldegrave's view, "an extremely powerful new wave of environmental concern is developing." The present British Government certainly seems to recognise the environment as a "sleeping" issue, with possible repercussions both locally and nationally. To this end, it is trying to co-ordinate its response to problem areas, particularly between the UK government departments of agriculture and the environment.

But money for conservation, he believes, must come primarily from business. The best way, of course, is development of industrial processes which do not despoil the environment, but short of that, business has a vested interest in showing concern for the environment by the other means open to it. Through sponsorship of conservation, Waldegrave considers that business can help combat our "anti-industrial culture," of which, he believes, there is a danger that "environmentalists" may become another manifestation.

Could business and the environmentalists become too entwined for their mutual good? Porritt thinks not. "There are always businessmen trying to get some kudos without doing anything substantial," he says. "But there are also many who genuinely want to support conservation." For Medley, the frontiers of fundraising have not yet been surveyed. For instance, he says, the WWF accepts money from the CEBG and others with no strings attached, without conceding anything, "and reserving the right to criticise or condemn."

Is there anyone from whom the WWF would not take money? George Medley recalls the question put to him early one morning by John Timpon on Radio 4: would the World Wildlife Fund accept funds from British Nuclear Fuels? Only a few days later did Medley come across the response: he wishes he had made at the time: "I should have quoted Barbara Ward," he says. "There is no dirty money, only dirty deals with money."

The Long View

The high costs of taking a risk

THIS WILL upset a good many people, especially the unfortunate investors who may have lost most of their life savings, not to mention the embarrassed self-regulators, the Financial Intermediaries, Managers and Brokers Regulatory Association (Fimbra); but the crash of McDonald Wheeler might turn out to be no bad thing.

The protracted bull market has made people complacent about the riskiness of fringe investment operators. It is a long time since the crash of firms such as Norton Warburg and M. L. Duxford set into motion the wheels which, grinding slowly, have produced the Financial Services Bill. That Bill is about to enter the final stages of its progress through Parliament.

There is nothing like an old-fashioned failure of an investment company to focus people's attention on some basic issues of investor protection. Discussion of the Bill has tended to get bogged down in the obscurities of statutory regulation versus self-regulation, or whether special exemptions should be granted to corporate treasurers or swap traders. But who is going to prevent Auntie Mabel from cutting out the wrong coupon and making a dreadful mistake?

In the wake of the McDonald Wheeler affair, the debate has predictably swung in the direction of compulsory compensation schemes. This has generated complaints from the likes of the Stock Exchange, which does not approve of the idea that the new legislation will insist on an overall umbrella. That could mean that Stock Exchange firms will stump up for Fimbra failures (or, of course, the other way around).

In the wake of the McDonald Wheeler collapse, Barry Riley argues that the responsibility for insuring against losses from such fiascos should be placed firmly on the investor



paying the debts of the crooks. Cautious investors subsidise the greedy or foolish. Such problems arise to an unacceptable degree because the approach is the wrong way round. There is much talk of self-regulation. Surely its counterpart should be a system of self-protection. Let me explain what I mean. When I buy a house, I am aware that there is a risk it

will burn down, or that a jumbo jet will crash upon it, and I take out an insurance policy to provide protection. If I have neglected to buy cover, I have nobody to blame but myself. Similarly, if I own a bag of diamonds or a parcel of bearer bonds I have to bear in mind the possibility that somebody will sneak into the house in the dead of night, or more probably when I am away for

a bank holiday weekend, and make off with them. Again, it is my responsibility to protect myself.

Oddly, people behave in quite a different way with what are defined as investments. The risk that advisers or fund managers might run off with the money is not recognised. Instead, investors trustingly send off large cheques in response to nothing more substantial than an advertisement in a newspaper and a glossy brochure. All too often, they will reach for their cheque book after an unsolicited telephone call from somewhere like Amsterdam (though the Dutch are cleaning up their act now) in which a charming salesman offers quick and easy profits.

Membership of Fimbra, or any other self-regulatory organisation, can only reduce risks, not eliminate them. It might be possible to provide a guarantee. But that could only be done at the cost of eliminating choice and stifling innovation. Compulsory compensation schemes are indeed a significant step in that direction.

The investment industry has got into this fix because of its determination to hide costs from the investor. Marketing and advisory expenses tend to be bundled into the initial investment, with the pretence that they can be capitalised rather than written off. Now the pressure is to bundle risk protection, too.

The reasoning, of course, is that if an investor is not made aware of such costs he will be more easily tempted to buy. But the other side of the coin is that if he does not recognise the costs and risks of an investment he will not accept the consequences. In particular, he will try to blame others—intermediaries, perhaps, or SROs, or the government, if he loses.

investor. The objective of the regulatory authorities should not be to set up industry-wide compensation schemes but to arrange that individual insurance plans are made available to investors.

The investor will be able to choose, if he so wishes, to carry any risk himself. That will be his decision. If he buys cover, he will quickly discover that a commercial insurance company will charge much higher premiums in respect of some types of investment company than for others, just as motor insurers discriminate between different drivers.

In particular, he will find that premiums for the likes of McDonald Wheeler will be a great deal higher than for, say, Save-and-Prospere, which is a very good way of reminding him of the risks that he is running.

In practice, investment firms will be forced to satisfy the insurers by adopting voluntary investor protection measures. For example, it will be very hard for them to operate without appointing approved trustees to handle the money. One of the greatest scandals now is that certain types of intermediaries are accepting large sums of money for investment without anybody ever checking that the money goes where it is supposed to.

Oppenheimer

24 months of performance to 1st October.

Trust	Percentage increase in value	Position and total number in sector
European	+171.4	1st.....22
Pacific	+101.2	2nd.....34
UK	+94.8	7th.....104
Worldwide		
Recovery	+78.3	6th.....86
International	+76.7	7th.....86
Japan	+73.2	25th.....37
Income & Growth	+67.5	6th.....82
High Income	+51.6	6th.....15
Practical	+41.0	3rd.....5
American	+13.3	42nd.....79

Six of our unit trusts are in the top quarter of their respective sectors and all ten continue to make money for their investors over the last 12 months to 1st October, too.

For further details telephone us on 01-489 1078, or write to Oppenheimer Fund Management Limited, 66 Cannon Street, London EC4N 6AE.

A member company of the Mercantile House Group.

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MARKETS

Sterling: the swings and the roundabouts

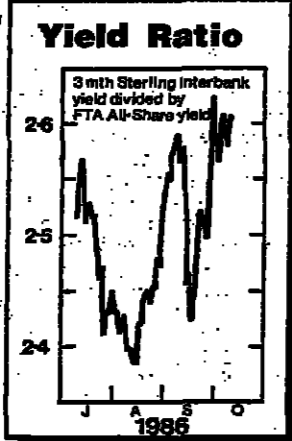
THE BARE figures might suggest that this has been a dull few days in London's securities markets...

also risen to the top of their recent trading range relative to long dated gilts...

which is no doubt what has been supporting oil shares. On the company news front...

London

effect of boosting UK corporate profitability in 1987, and of bringing sterling down to a level at which UK investment becomes attractive...



shares a further boost on Thursday. RTZ shares have also been active and strong.

Among the other merchant banks, Kleinwort Benson and Mercury International — two of the biggest British players in Big Bang — have rallied usefully in the past week or two.

Ulcers are no worry for Glaxo

PRELIMINARY figures for GLAXO HOLDINGS, due on Tuesday, are expected to show pre-tax profits up around 40 per cent to £565m from last year's £402.5m.



PAUL GIROLAMI Chairman of Glaxo

for well over half its profits and recently completed a £100m capital investment programme in that country. This spending and the Nigerian Government's decision to allow the import of essential raw materials will have helped the company against the decline of the naira.

Results due next week

show little change in operating profits but investment income should rise while tax and interest payments are likely to fall.

Australian gold shares keep gloss

"HALLO. Moley." I said, as our furry friend topped up on my desk, dislodging the odd coffee cup and upsetting the paste as usual.

rights issues. North Kalguri is raising some A\$164.7m (£73.6m) with a one-for-one rights issue at 75 cents (about 34p a share).

Mining

stake in gold shares but are a bit uneasy about putting their money into South Africa.

per kilogramme, and the aggregate profits before tax of the seven mines have reached a best-ever R624m (£197m). Because of a seasonal fall in tax off-setting capital spending, net profits grew by a relatively modest 10.6 per cent.

These mines are controlled by Gold Fields of South Africa which, in turn, is 48 per cent owned by London's Consolidated Gold Fields.

HIGHLIGHTS OF THE WEEK

Table with columns: FT Ordinary Index, Price Change 1986, 1986, and various market indicators like Australian Cons. Minerals, Booth Inds., Brixton Estate, etc.

Interlink is 500th to join

THIS WEEK saw a rush of new issues on the USM as companies struggled to squeeze their flotations into the few weeks between the Trustee Savings Bank and British Gas issues...

Although 500 companies have now joined the USM since its inception on November 10 1980, just 359 are still quoted on it, ranging in size from Mrs Fields, the US cookie company...

USM UNLISTED SECURITIES MARKET

troubled past, but its growth to date is less impressive and future plans less ambitious. The issue untraced to a dollop of syrupy, and distinctly sexist, newspaper prose about the company's chairman, Ms Jennifer O'Abb, and it too was over-subscribed.

Berry Birch and Noble

to tell in the rages to riches tale of the founder, who five years ago was whizzing around the streets of London as a motorcycle messenger...

Winney Mackay-Lewis is an architectural practice specialising in City of London developments through the design of projects such as the trading floors for Barclays de Zoete Wedd and the London Financial Futures Exchange.

Alice Rawsthorn

result, life assurance income has picked up and a programme of divestments has begun which will help reduce group borrowings.

NSR saved Aitken-Hume

the bid by announcing that they would not company a change of control and NSR is expected to have contributed the bulk of Aitken's pre-tax profits (probably around £2.5m) this time.

The independent directors of NSR saved Aitken-Hume during the bid by announcing that they would not company a change of control and NSR is expected to have contributed the bulk of Aitken's pre-tax profits (probably around £2.5m) this time.

ABBEY LIFE is expected

Wednesday to announce an interim dividend of about 2.5p per share, up from 2.2p at the same stage last year.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Table with columns: Company bid for, Value of bid per share, Price of bid, Value of bid, Bidder. Includes Bluebird Confctn, Brownlee, Burmatex, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings* per share (p), Dividends* per share (p). Includes Attwoods, Britania Sees, Brown, A., etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends* per share (p). Includes Ash & Lacy, Berkeley Exp, Berkeley & Hay H, etc.

SCRIP ISSUES

Ulster TV—One for one.

RIGHTS ISSUES

Blue Arrow—To raise £30m through a one for three rights issue at 350p.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Baker Harris Saunders—Offer for sale by tender of 2.5m shares at a minimum price of 150p.

Handwritten signature/initials at the bottom of the page.

Waiting on the Fed

US SHARE prices have moved erratically this week with concern about the earnings performances of some of the major players, such as IBM and General Motors, being countered by takeover dramas in some of the boardrooms of America's best known companies.

In the US credit markets bond prices have lost a little ground, but short term rates continue to hover close to their year's low while money market traders try and divine whether the Federal Reserve is easing its monetary grip in the face of the weak US economic performance.

Next Wednesday's retail sales figures for September are expected to show a big jump but this reflects the surge in US car sales helped by record low financing. Sears Roebuck, the country's biggest retailer, reported this week that its sales rose by a mere 1.1 per cent in September and there is still little evidence to point to a strong rebound in the US economy in the current quarter.

As a result, there has been talk this week that the Fed will shave another half point off the discount rate before year end but most analysts expect the authorities to wait another month at least. The mid-term congressional elections are due on November 4 and the Federal Open Market Committee, which sets short term monetary policy, meets the following day. Analysts would be surprised if the Fed moved before then. The behaviour of the dollar is continuing to cause con-

cern in some official quarters in Washington and another drop in US interest rates in the absence of similar moves overseas could further undermine the US currency and put pressure on US interest rates.

Against this rather confusing background, on Monday the Dow Jones industrial average rose by more than 10 points in the second lowest trading volume this year. The index managed to close unchanged the next day—a rare feat—and bounced back above the 1,800 level on Wednesday, only to lose ground the following day.

The market's behaviour this week has given some analysts

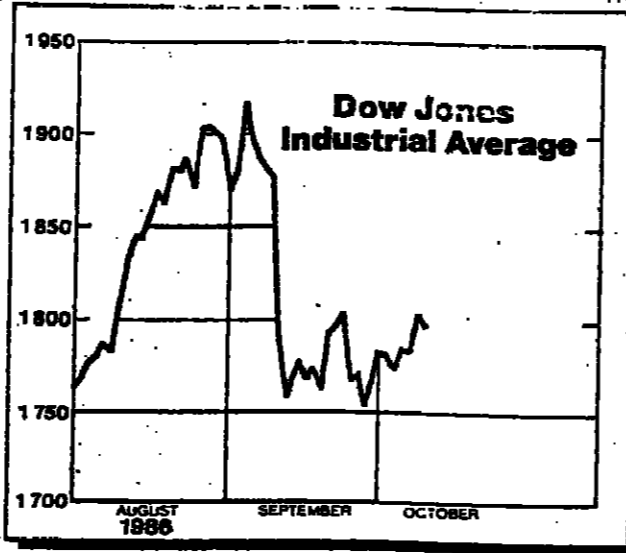
and IBM shares by \$11 this week to \$132 on Thursday evening before recovering somewhat yesterday morning.

Wall Street is concerned by reports that General Motors will announce a sizeable operating loss in its third quarter and has been getting very nervous about IBAT's third quarter results, due next Monday, following reports that the company's important overseas business is starting to slow down.

This news has disturbed analysts who had expected overseas order growth, helped by the sharp decline in the dollar, to underpin the group's revenue growth this year. IBM has massively underperformed in the stock market this year and some analysts are pencilling in some bearish profit forecasts for the company's 1987 profits forecast.

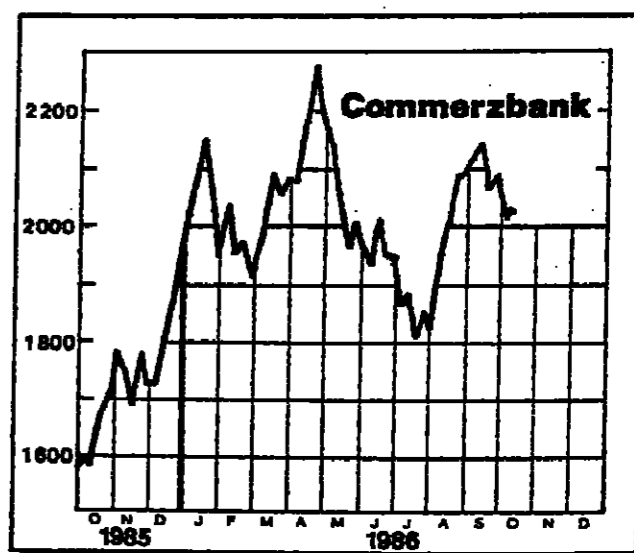
Analysts are expecting "Big Blue" as it is affectionately termed, to report a 20-cent-a-share drop in third-quarter profits to around \$2.20 per share. If the figures turn out to be considerably below the estimates, then there could be another sharp sell-off in IBM shares. Reports that one seasoned IBM watcher, Peter Lien of New York brokers Furman Seltz, had dropped his full-year 1986 forecast for IBM to \$8.65 a share and does not expect its 1987 earnings to match last year's \$10.67 per share, were blamed for Thursday's big drop in IBM.

While the stock market continues to be nervous about the profit outlook for some of the bellwether stocks, the first



Waiting for the surge?

HAS THE Frankfurt stock market run out of steam after the four-year bull market which pushed it to a record high this April? Or has it merely paused for breath, ready for a further surge once currencies have settled down and the West German elections are out of the way?



Wall Street

cause for optimism. Students of Dow theory have been impressed by the strength of the Dow Jones transportation index which has lagged the rest of the market for much of the year. It is now catching up fast and close to its year's high. The technicians note that the transportation index needs to be at a peak if the market is to move ahead substantially from its current levels.

The optimists are also impressed by the way the overall index has managed to move ahead for much of the week despite the weak price performance of IBM and General Motors, two of the most widely held shares on Wall Street. GM shares had fallen nearly \$2 to \$86 1/2 by yesterday morning and

share offer for the steel and energy giant.

A few hours later, news broke that first Interstate Bancorporation, an aggressive Los Angeles banking group, had offered to buy the ailing Bankamerica Corporation in an all paper bid worth around \$18 a share.

By yesterday morning USX shares were trading at \$27 1/2 and Bankamerica shares were trading at \$14 1/2. The initial reaction is that neither bid will succeed on the current terms. However, Wall Street believes that neither of these famous companies will be the same again.

reports of third-quarter earnings from corporate America were reasonably good. General Electric posted a solid 5 per cent rise in third-quarter earnings to \$1.32 a share, while Westinghouse Electric and Owens-Illinois, two more constituents of the Dow Jones industrial average, posted double-digit earnings growth.

On the basis that had figures take longer to add up, the rest of the third quarter earnings figures may not look as good as the reports from these three industrial heavyweights.

However the outlook for corporate earnings has taken a back seat to the takeover dramas now being played out on Wall Street. After the close of business on Monday Carl Icahn, one of the most feared corporate predators, announced that he has acquired a sizeable stake in USX Corporation, the old US Steel, and was planning to make a "friendly" \$31 per

MONDAY	1784.45	+10.27
TUESDAY	1784.45	no chg.
WEDNESDAY	1803.85	+19.40
THURSDAY	1796.82	-7.03

William Hall

Investors' enthusiasm for German shares has waned in recent weeks, with most analysts fairly guarded in their views about the short-term outlook.

On the one hand, the prospect of a further slide in the dollar from around DM 2—it has already fallen by more than 40 per cent in 18 months—makes German shares attractive as an investment in a constantly firming D-mark.

But on the other, a higher German currency puts a tighter squeeze on exports. Several big companies have started to point to the effect of the weak dollar on future sales and profits. In recent weeks, AEG (tele tronic), Porsche (sports cars) and Puma (sports shoes), have all said future business will be made harder in foreign markets.

Apart from Porsche, other German car makers, are also major exporters to North America. So far, currency

hedging has sheltered companies from the worst effects of the collapsing dollar.

But, as pointed out by M. Heinz Dürr, chief executive of AEG, now part of Daimler-Benz which has a 56 per cent shareholding, the next two years will see German exporters exposed to lower dollar rates. If wage rises are also high—Germany now has no inflation—and unions also demand shorter working weeks, industry will face problems.

Most stock market analysts feel the dollar is headed downwards, though central banks' intervention could prevent too invidious a fall. Expectations generally range between DM 1.70 and DM 1.80 for next year, while the local division of Wharton Economics of the US has come out with a pessimistic expectation of DM 1.65 for 1987, with a drop below DM 1.50 in 1988. The all-time low was a dollar worth DM 1.71 in January, 1980.

Although the outcome of January's general election seems in no doubt, with Chancellor Helmut Kohl's conservative coalition government likely to be voted in again, investors from abroad are unlikely to pile further into German shares the result is confirmed.

In the first six months of this year, net foreign purchases of stocks totalled DM 8.8bn (\$4.4bn) compared with DM 10.6bn in the whole of 1985. Domestic investors have also been attracted to shares, especially with the pre-April surge in values and the spate of new issues.

But the proportion of German savings going into shares is still tiny compared with the volumes going into fixed-interest saving. Though the lure of share-buying has taken hold, especially among Germany's younger well-heeled citizens, the notion of risk remains alien to many savers, who prefer to sleep tight by eschewing the ups and

downs of the market.

Since the FAZ index touched its high of 754 in April the market dribbled downwards until mid-July and then perked up again by early September. Companies' higher profits, the rate of economic growth, and falling interest rates were the main impulses behind the recovery.

But subsequent weeks have seen the market drift. The FAZ index (end-1958=100)

Frankfurt

was lazing around the 675 level this week. Some interest was sparked by the lightning performance of one of the latest new issues, the Schneider computer company, which was issued at DM 540m in early October. It was heavily oversubscribed and rapidly traded at over DM 500.

On a less stratospheric plane, the issue of shares in IVG, a state-owned property management and transport group of which 45 per cent is being privatised, was also oversubscribed.

Nixdorf, the computer company which is a favourite among investors, recently announced a DM 640m rights issue, while further issues of Volkswagen shares can be expected next year, once the election is over and the Government's halting privatisation programme resumes. Veba, the energy concern, is also on the privatisation list.

In the main, analysts expect 1987 to be a reasonably buoyant year for the German stock market. Price/earnings ratios are still low by the standards of other bourses, especially Japan's, and major companies are expected to report impressive earnings for 1986.

Andrew Fisher

Lead shines again as price soars

LEAD, for so long the cinderella of the London Metal Exchange, stepped into the limelight this week with a price performance that easily outshone those of the other base metals.

A £90 rise lifted the LME cash price above £300 a tonne for the first time since September, 1985, and took the recovery from the 10-year low, reached at the end of April, to more than £70.

The strength of the advance was chiefly due to what dealers term a "chart break-out." This means that prices succeeded in pushing through established resistance points, thereby unleashing a flood of new buying orders.

The factor which encouraged the market to breach these points, however, was increasing concern about the prospects for continued production at Australia's Broken Hill mine.

An eight-week strike at

Broken Hill over a cost-cutting plan involving an extended shift system ended in mid-July when a temporary settlement was reached. But that agreement runs out on October 31, when the Broken Hill workforce will be presented with a proposal for a fully operational labour contract worked out by the New South Wales Industrial Commission.

The possibility that the workers might reject the commission's plan and resume their stoppage was apparently the subject of much debate when metals traders gathered for the LME annual dinner on Tuesday night. Finding that they were not alone in their concerns about the prospect of a new disruption in production, the traders returned to the market

on Wednesday morning in a very bullish mood and, by the close, the cash lead price had gained £15.50 a tonne.

Some analysts believe, however, that the lead price should remain above the £300 mark even if the Broken Hill workers vote to accept the deal.

Commodities

"Present levels are justified by the overall market situation," says Stephen Briggs of Shearson Lehman Brothers. He argues that supply and demand will be close to balance for 1986 as a whole, with a significant first-half production surplus being counteracted by an equally significant second half

deficit.

The turn-around is a direct result of the low prices caused by last year's heavy over-supply estimated at about 130,000 tonnes out of an output total of 4.2m tonnes—which has forced a lot of loss-making capacity out of production.

Briggs admits to some concern, though, about the possibility that one substantial moth-balled production unit might possibly come back on stream. This is the Buick mine and Boss smelter operation in Missouri, which Homestake Mining closed earlier this year after buying it from Amax.

There has been talk of Homestake and St Joe Minerals forming a joint company to run their Missouri operations, and it is not clear whether this

would result in the reopening or the permanent closure of the Buick/Boss unit.

Other factors encouraging the firmness of the lead price this week have been a modest increase in list prices by Asarco of the US and St Joe, and a problem with a new furnace at Penarroya's Cartagena smelter in Spain. But Briggs believes neither of these made a substantial contribution to the advance.

Two further factors continue to provide background strength. The approach of the northern hemisphere winter is reflected in the traditional increase in lead buying for car battery production; and tougher emission controls are causing increasing concern about the long-term viability of US secondary lead

production through the recycling of old car batteries.

The recycling industry, which is already struggling with low price levels, is a notorious polluter and the cost of cleaning up emissions could push some recyclers over the brink.

Briggs is doubtful, however, that the industry would be allowed to founder. He points out that dumping unsaleable spent batteries, containing sulphuric acid as well as lead, would itself pose a serious pollution threat.

Asked if there were any positively bearish factors in the lead market at present, the Shearson analyst had to pause for thought. "Well," he said at length, "for what it's worth, there was last week's news that the British Government was outlawing lead fishing weights from the beginning of next year."

Richard Mooney

There are times when, after hours of incessant tranquillity, I begin to doubt my fishing ability. Thankfully I have developed elaborate defence mechanisms to deal with such dispiriting moments.

I begin by assuming that the fish are overfed, and then perhaps rail against pollution and poachers. Eventually however, I am forced to entertain the possibility that I may have made some fundamental error in my choice of fly, line, or loch.



In these dark moments I rekindle my confidence by reflecting on the Hambros International Situations Trust. We're certainly taking the right line on this, to ensure that it performs as well as Hambros' other unit trusts.

Their success is largely attributable to the vigilance and decisiveness of Hambros fund managers, and to the considerable resources and investment expertise of Hambros Bank, on which we are able to draw.

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HAMBROS BANK
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FINANCE & THE FAMILY

Lucy Kellaway on the Government's latest venture into privatisation

Gas jets ahead



Sir Denis Rooke



There's never been a publicity campaign like it. Only 2 per cent of the people will escape the deluge of facts and figures designed to whet the appetite of potential investors.

ONLY THOSE who do not watch television, read newspapers, travel by tube, cook by gas, or have central heating in their homes can still be unaware that British Gas is soon to be privatised.

By now all 16m gas consumers should have received a special personalised letter from Sir Denis Rooke, British Gas chairman, telling them of the sale, while the rest of the nation is being bombarded by an advertising campaign so comprehensive that it is expected to escape only 2 per cent of British adults.

Over the past few months the publicity machine has emitted a carefully gauged flow of information, designed to build up interest in the sale, and to whet the appetite of potential investors.

Last week British Gas shareholders were promised a choice of vouchers giving them up to £200 off their gas bills or one free share for every ten held, provided the shares are held for three years.

Such perks are replicas of those which sweetened the British Telecom flotation two years ago, and which helped to attract about 2.1m investors.

That achievement, which at the time was regarded as a triumph, now seems modest. Since then has come the TSB, which while only a third the size of the Telecom issue, drew in twice as many hopeful applicants.

A few months ago the architects of the British Gas sale would have been well pleased with 4m or 5m shareholders, but must now be hoping for a still larger audience.

Those who marketed British Telecom to the private investor boast that they could scarcely have done their jobs better. Telecom has set the standard, and the British Gas sale will follow, alike in nearly all respects but half as large again, with about 60m likely to be raised.

A further breakthrough made in the interests of drawing in even the smallest investor has been to set the minimum number of shares at just 100. These will be worth no more than £150, compared with the £300 minimum in British Telecom, but because the shares will be paid for in instalments, anyone with about £50 spare cash will be able to apply.

over the last two months are claimed as a new way of selling shares.

British Gas, like the TSB, is making a special effort to sell itself to its customers. More than 16m gas consumers have been guaranteed an allocation of 250 shares, and if they want more than that number will be given preference over other applicants.

This means that for a large army of first-time private investors, the uncertainty of investing in a new issue has been swept away — they can apply for shares in the full knowledge that their demand will be met.

A further breakthrough made in the interests of drawing in even the smallest investor has been to set the minimum number of shares at just 100. These will be worth no more than £150, compared with the £300 minimum in British Telecom, but because the shares will be paid for in instalments, anyone with about £50 spare cash will be able to apply.

Even though the prospectus will not appear even in draft form until the end of this month, already the pundits are

mighty slug. Most other privatisations have proceeded in several parts, giving the Government only one chance at getting the price right.

The British Gas hype, which by November may have whipped up investors into a fury of anticipation, may in itself be reason to buy the shares with a view to making a quick turn. If all gas consumers turned out to buy their guaranteed minimum allocation, two thirds of the whole issue would be eaten up, leaving non gas consumers, institutional and foreign investors a smaller slice to fight over, thus forcing up the price.

In the pre-sale excitement the characteristics of the company itself are threatening to get buried. People seem to be forgetting that British Gas itself is a dull cold utility with little scope for growth, although with a good cash flow which should allow it to pay out handsome dividends.

The dullness and stability of the company at least makes it difficult to see what now could seriously upset the flotation. Already two potential hazards—a collapse in oil prices and a Labour Party threat to return the company to some kind of social ownership—have been shrugged off as fairly unimportant.

Because of the fall in oil prices, British Gas may come to market with profits forecast to decline rather than grow. Meanwhile the Labour Party is promising to disenfranchise shareholders, and perhaps to reacquire British Gas shares at the issue price.

The glibness with which such considerations are being treated may signal to some that events are getting out of hand. Some of the company's advisers have gone so far to suggest that it is actually a good thing that British Gas is being floated in a comparatively difficult year for the company as it underlines its resilience. Others muse that the general stockmarket consequences of a Labour election victory are so bleak that if British Gas investors stand to get their money returned to them, they are not doing too badly.



Holiday offer

LIVING UP to its bright new image, the Prudential offers holidaymakers up to £200 "free" spending money if they take out life assurance policies before December 19. Under the scheme, arranged with Leicester-based travel agents Page & Moy, anyone buying a Prudential Protection or Multiflex Plan before December and paying premiums of £20 a month or more will receive what is in effect a holiday "discount" voucher. This can then be used to provide spending money on any holidays booked before June 30 1988.

How much that voucher is worth depends on the price of the holiday booked. It can range from £20 for a holiday costing between £180 to £229 up to £200 for one costing over £2,500. A cheque, in exchange for the voucher, is issued with the holiday tickets.

The booking must be made through Page & Moy, but the voucher is valid for the holidays provided by 32 major travel companies who are members of the Association of British Travel Agents (ABTA).

Page & Moy also features in a similar discount holiday scheme launched by Barclaycard. Anyone who books a holiday through Page & Moy and uses Barclaycard to pay the initial deposit will receive a refund of between 5 to 15 per cent of the cost up to a maximum of £200.

REFLECTING THE return to favour of the European markets with fund managers, Henderson launch on Monday a new European Income Trust.

Usually for overseas funds of this kind the estimated initial gross annual yield is put at 4.5 per cent. This reflects the fact that the income "net" is to be widened by including in the portfolio a high percentage of fixed interest bonds—25 per cent—and convertibles—15 per cent—which are being offered increasingly by European companies. If sterling continues to decline in value the UK investor should also benefit from currency gains.

The offer price will be fixed at 50p a unit until October 31. The minimum investment is a lump sum of £500, or a £25 monthly savings plan.

BAILLIE GIFFORD, one of the more enterprising smaller unit trust groups, thinks it has found a way of achieving a high income return from an equity-based portfolio, without having to resort to the normal method of including pure fixed interest investments. Its answer is the BG Convertible and General unit trust launched today.

It is estimated that at least 85 per cent of the planned portfolio will go into convertible loan stocks in the hope that the fixed coupon will provide a high and secure level of income. Capital growth will be provided by the right to convert into the underlying equity, which is reflected in the price of the convertible.

Because of the much higher income settlement, Baillie Gifford claims that the price of the convertible tends to be less volatile than the movements in equity market and, therefore, represents a less risky investment. That may be true—but there is also the prospect of the investor being landed with poor value convertible stock.

However, Baillie Gifford argues that, following a large number of new convertible issues during the past year, there is now an unprecedented selection to choose from, with the present prices of convertibles not fully reflecting their advantages. The issue price is 50p, but with existing funds already committed, dealers will start on Monday. Minimum investment is £500.

TSB jumps in fast

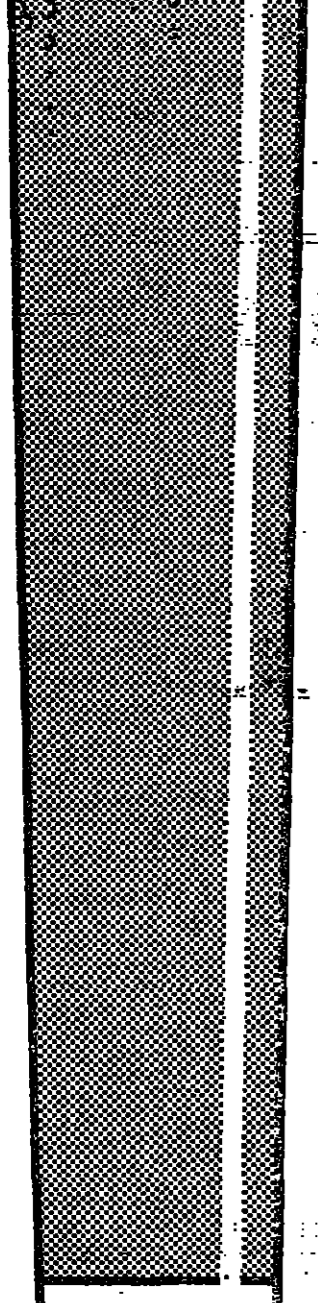
QUICK OFF the mark, to capitalise on the tremendous public interest shown in its flotation, TSB announced the launch of a new unit trust this week. It will include TSB shares in its investment portfolio.

It is called the British Growth Unit Trust, and it will concentrate on investment in the top 200 UK companies, including—some what incestuously—its parent company, with the aim of producing capital growth. But in addition the fund managers will look for investment opportunities in smaller companies with high growth prospects.

The launch price of 50p will be held until October 29. Minimum investment is £250. TSB is now one of the largest unit-trust groups, managing over £1bn through 10 existing funds.

WHITBREAD

Whitbread and Company PLC. Turnover in year ending 30 September 1985: £2,410,950,000. Source: Annual Report 5/12/85.



WHICH BREWER OFFERS THE PRIVATE INVESTOR MORE THAN THE USUAL?

Companies, like private investors, come in all shapes and sizes. Company shares which look ideal for one portfolio may not suit another.

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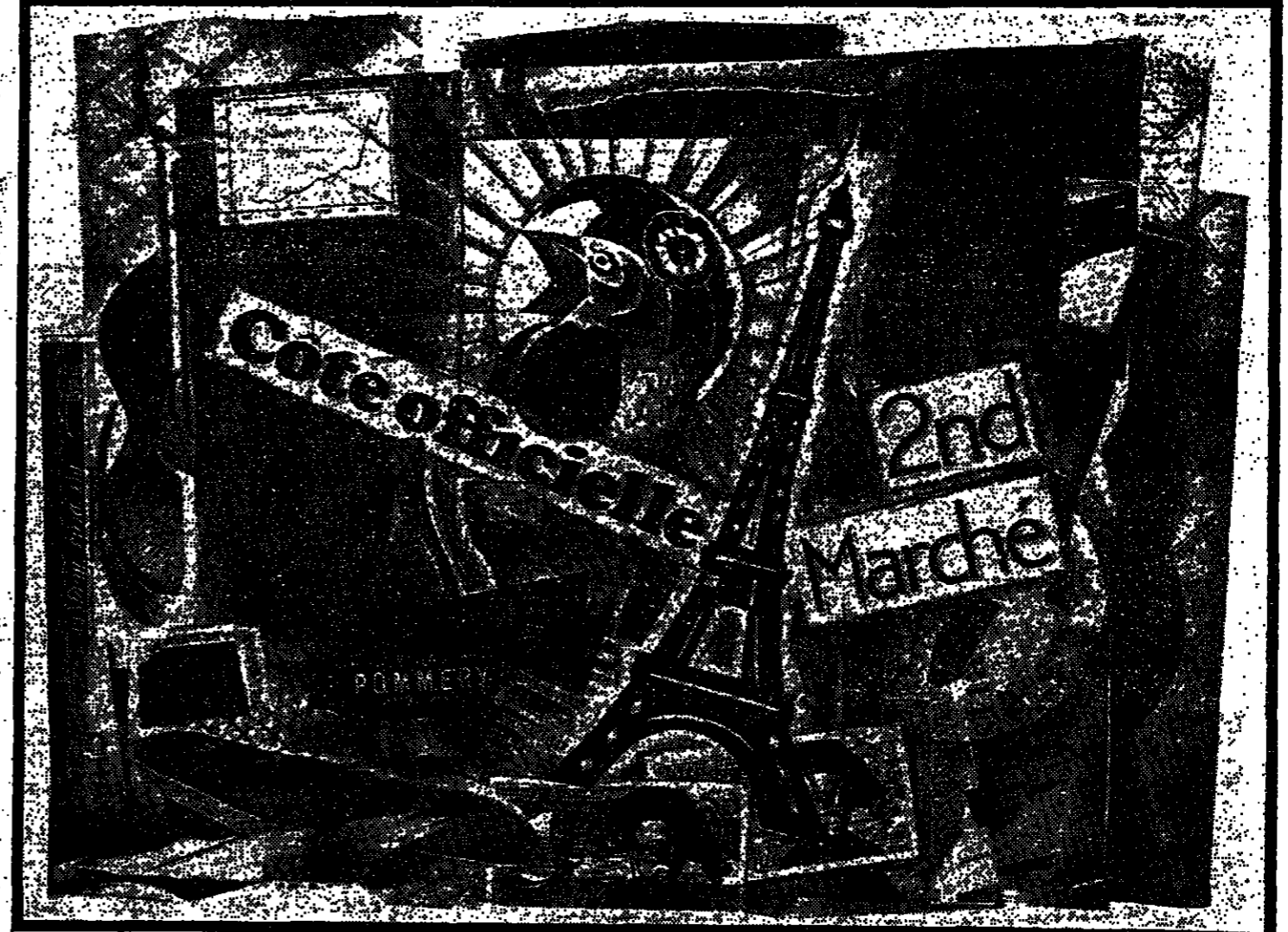
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INVEST IN A FRENCH MASTERPIECE



THE NEW EBC AMRO FRENCH GROWTH TRUST

There's been a lot of good news recently about investment opportunities in France. It's not hard to see why. The Paris Stock Exchange Index has risen by over 150% (weighted for sterling) in the last twelve months, and there are very good reasons why it should go on rising.

Economic growth is anticipated at 3% a year, but, more importantly, corporate profits are expected to grow at 3% this year and next.

And the new government under Jacques Chirac is committed to wider share ownership through a programme of privatisation similar to the one in the UK that has had such a dramatic effect upon the London stock market.

So the time is right to invest in France.

THE BEST WAY TO INVEST It may seem odd that there hasn't been a French unit trust from an established investment management company before.

But now there's the EBC Amro French Growth Trust. EBC Amro has considerable experience of the French market through its European involvements.

Even so, we did what any sensible investor would do, we talked to the French investment experts at the highly respected Banque Privée de Gestion Financière (BPGF) in Paris.

INVESTMENT CONNOISSEURS Then we went one better—we appointed BPGF investment managers to the Trust because they have such a remarkable record for managing investments.

For example, their own in-house fund, invested exclusively in French securities, has risen by over 260% since December 1979 (not weighted for sterling). In all, they are responsible for over £460 million in over 20 in-house funds of various kinds; they are extremely active in the bond markets, in finance for French industry

and in the privatisation programme. We believe their in-depth expertise will enable the EBC Amro French Growth Trust to achieve above average capital growth from a portfolio of French securities.

FIXED PRICE OFFER Units will be offered at a 1% discount on a fixed price of 50p per unit until 3rd November, 1986.

HOW TO INVEST Complete the application form and send it, together with your cheque made payable to EBC Amro Unit Trust Management Limited, c/o Manchester Unit Trust Administration Company Limited, FREEPOST, Manchester M2 8BL (no stamp required).

If you don't have £500 immediately available, send for details of EBC Amro's Monthly Savings Plan by ticking the appropriate box in the coupon.

If you already have shares you would like to exchange for units in this Trust, please tick the appropriate box in the coupon below.

Remember that the price of units and the income from them can go down as well as up.

GENERAL INFORMATION Contract notes will usually be sent by return of post. You will receive a Unit Certificate within six weeks of the receipt of your cheque.

An initial charge of 5% is included in the price of the units and an annual charge of 1.25% (+VAT) of the value of the fund is deducted from the fund's income. Prices are quoted daily in The Financial Times.

Estimated gross current yield is 1.5% at the launch price of 50p per unit. Managers' reports on the fund will be issued by 1st November each year. Income will also be distributed annually net of basic rate tax by 1st November. Trustees: Midland Bank Trust Company Limited. (Not open to residents in Eire.) A member of the Unit Trust Association. Remuneration is payable to qualified intermediaries and the rates are available on request.

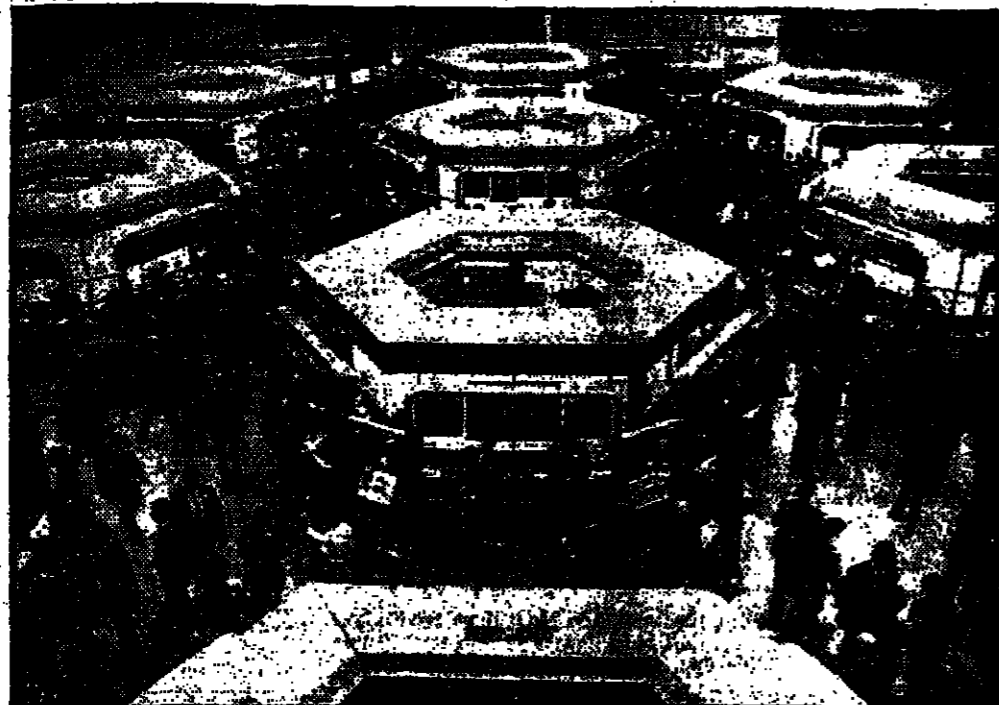
EBC AMRO FRENCH GROWTH TRUST

APPLICATION FORM To: EBC Amro Unit Trust Management Limited, c/o Manchester Unit Trust Administration Company Limited, FREEPOST, Manchester M2 8BL. (No stamp required). We wish to invest £ in units in the EBC Amro French Growth Trust at the price ruling on receipt of this application (minimum investment £500). Fixed price offer less 1% discount applies until 3rd November 1986. I am/we are over 18. Please tick relevant box if you require the following: [] Automatic reinvestment of distributions. [] Further information about the EBC Amro French Growth Trust. [] Details of the EBC Amro Monthly Savings Plan. [] Details of the EBC Amro Share Exchange Scheme.



1% DISCOUNT UNTIL 3RD NOVEMBER

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London Stock Exchange: "additional anomalies in the early days"

TSB float likely to spur options boom

Dealers expect rush of new business, reports John Parry

STOCK EXCHANGE dealers are expecting a flood of new business in traded options as a result of the TSB flotation. When British Telecom was launched on the market almost two years ago traded option activity tripled. The same could happen next week as a result of TSB.

Because TSB shares are issued partly paid the strike prices will be the lowest on the Stock Exchange's range of 42 traded option stocks. This dramatically reduces the cost of the option, known as premium. The premium is in any case rarely more than the equivalent of 10 per cent of the stock price, although as an investment it may all be lost if the price moves the wrong way.

The strike price is the level at which the option buyer agrees to buy (if he takes a call option) or sell (if he takes a put) TSB shares.

Another factor which will also cut premium levels is the limited time for the early options. The first series of options will expire at the end of October, which will only have two weeks to run once trading starts. So the time element in the premium will be low.

Before trading started it was impossible to find jobbers or brokers willing to commit themselves to a price. The potential level of institutional demand balanced against the volume being sold by "stags" will dominate TSB prices during the coming weeks.

For the smaller investor with strong speculative instincts, and a pocket deep enough to stand sudden reversals, TSB options may generate gains substantially greater even than the 40-50 per cent promised on the shares.

For example, assume the stock is quoted at 75p. The option to buy the stock at a strike price of 80p before the end of October should be priced at around 7p-8p per share, even allowing for some initial uncertainty.

As one traded option contract is standardised for blocks of 1,000 shares the up-front cost of that option would be £70-£80. If the price of TSB were to climb to 80p next week the option premium would probably rise to 11p-14p, or £110-£140. This realises a 40-50 per cent profit.

If the price falls, or remains flat until the end of the month, then the premium is sacrificed. Traded options are likely to appeal particularly to "stags" who wish to take a known profit on the stock but who do not want to forfeit future gains. A "stag" would sell his TSB holding early, at around 75p. This gives him a profit of 25p on the partly paid. Using 80p of that for a call option cuts into the initial profit but allows access to additional gains if the market rises.

But what of the investor who intends to hold the stock for a while yet but is attracted by the initial TSB price? This is where put options can be useful and profitable.

A put option to sell TSB at 80p in January (the first new options month after October) will probably be quoted around 10p. If the price falls then that 10p premium will rise, as the option to sell becomes more attractive.

The rise in the value of the put option will therefore offset the loss in value of the underlying stock.

Exactly how option premiums will move is impossible to predict. To a large extent the premium value increases as volatility increases. And without a trading record in the stock it is impossible to calculate, or even intelligently guess, TSB's price volatility.

There is also the difficult question of the larger market movements. In recent weeks the broad index of market activity, the FTSE 100 index, has itself been extremely volatile.

In general major stocks tend to follow the general direction of the market, although new issues and takeover situations break this pattern. Any guesses on which way TSB prices will move ought to take account of this.

Option trading on the FTSE 100 is also popular of course. It consistently trades among the top five traded option contracts.

In general, the greater the volatility of the underlying stock the higher the cost of the premium. When that volatility is not known, as is the case with TSB, then you can be sure that the jobbers and market makers will err on the high side.

Experienced option traders will also see additional anomalies in the early days. Extending this tendency to price the calls high will be the lack of sellers. As institutions, natural sellers of call options, do not own the stock they will be reluctant writers, especially of October calls.

Conversely, if the market sees considerable activity in the options then the buy-sell spread, the price difference on the premium quoted by the jobbers, should be fairly narrow and the profit threshold for the investor is brought closer.

When Telecom options began trading total Stock Exchange activity in options soared to over 30,000 contracts. Since then it has been averaging around 20,000 per day. Some dealers are looking for new trading records this week, with possibly over 50,000 contracts, as TSB further punctuates this fast-moving specialist sector of the market.

Homes deal

A FURTHER extension of the mortgage market took place this week when leading home service insurer Pearl Assurance Company announced an agreement to market Midland Bank's home loans.

Home service insurance companies, with countrywide networks of agents calling on clients in their homes, are well placed to provide a mortgage service in the homes of policyholders — the era of Armchair Mortgage, to paraphrase Pearl's rival, the Prudential.

For Midland, smallest of the clearing banks, it means a market that its branch network cannot reach — on average, only one in five of Pearl's clients will bank with the Midland.

As part of Midland's terms, housebuyers will have complete freedom of choice, including using the capital repayment method and, if using the endowment or pension mortgage route, a complete choice of life company. They will not be tied to using the endowment or pension mortgage with a Pearl contract.

However, Pearl is relaxed about this. There is a world of difference between having a right and knowing about it. The Pearl agent, as a company representative, is under no obligation to promote the products of other life companies. In almost all cases the agent will be dealing with people who would take out Pearl policies virtually automatically, and who would be unaware of the company position in the performance tables.

Payment will be by direct debit — the agent will not, in this case, collect cash or cheques. Unfortunately, in their efforts to give a simple explanation of the different types of mortgages available, Girobank have given the impression that monthly premiums paid for an endowment policy should be added to payments made for a repayment mortgage — omitting to point out that repayment loan payments are higher because they include both capital and interest.

At present the joint operation is being conducted on a pilot basis in South Wales; the service will be available nationally from next February.

Meanwhile, "just a phone call away" is the slogan being used by another powerful newcomer to the mortgage market — the National Girobank. It is recognised that, although Girobank has more retail outlets than all the other banks put together, your local post office would find it very difficult — or impossible — to provide sophisticated mortgage advice. Instead, Girobank is offering a free telephone service — 0800 181 721 — to give what is described as "friendly, but expert guidance." Alternatively, you can simply fill in a form obtainable from Post Office branches.

The interest rate offered by Girobank is currently 11 per cent, comparable with leading building societies since it is calculated in a similar way on company mortgage rates (the typical APR (annual percentage rate) is quoted as much as 11.7 per cent, but this takes into account the bank's solicitors' fee and the valuation fee. However, no arrangement fee is charged — unlike most other banks. One condition is that you have to open a current account with Girobank to handle monthly mortgage repayments and, if wanted, any additional insurance premiums on an instalment basis.

John Edwards

FINANCIAL PRODUCT OF THE YEAR

Etna's Gilt-Edged Bond has just been voted BEST FINANCIAL PRODUCT OF THE YEAR by the Financial Weekly Martin Paterson Award panel coming first in every category, including:

- Value for money and investment performance
- Innovation and relevance to current market needs
- Quality of product and technical design

THE TIME TO BUY Etna's GILT-EDGED BOND IS NOW

Gilts are giving more than 8% real return over the current rate of inflation — nearly the highest ever — and 2 to 5% greater than every other major industrial country

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- There is NO FRONT-END CHARGE and NO CAPITAL GAINS TAX.
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Please complete and send the coupon in an envelope addressed to: Etna Life Insurance Company Ltd, FREEPOST London EC3M 5NF. On phone our Cost-Free Care Centre — dial 163 and ask the operator for FREEPHONE Etna. The Centre is open 9am to 5pm each week. We will send you my FREE Guide to Gilts and details of the Etna GILT-EDGED BOND to:

Name (in block letters): _____
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Name of usual professional adviser (if any): _____

Aetna PS If you are self-employed or have no company pension, please tick the box so we can also send you details of Etna's new Gilt-Edged Pension Bond

FRAMLINGTON FINANCIAL FUND

A New Unit Trust Investing for Growth in Financial Services Companies

FRAMLINGTON Financial Fund will aim for maximum capital growth through investment in the most interesting sector of the moment: financial services companies throughout the world.

Financial services are going through a period of rapid growth and change, thus creating an important investment opportunity. In this country, the securities industry is changing dramatically, and new legislation is rapidly enlarging the scope of profitable operation for banks, insurance companies and fund management companies.

More generally, international de-regulation and the decline in world-wide inflation significantly improves the prospects for financial services operations everywhere. Framlington Financial Fund will aim to make the most of these opportunities, whether in the U.K., the U.S.A., Europe, or the Far East.

THE FRAMLINGTON APPROACH

Our special style is to concentrate on smaller companies, trying to identify those with really good growth prospects before the rest of the market recognises their promise, aiming for good long-term capital growth performance. The results speak for themselves.

OUR RECORD

Framlington has an outstanding long-term growth record. The average annual compound rate of growth in the price of units (on an offer-to-bid basis) of each of our capital growth funds between launch and 1st October 1986 was as follows:

Fund	Launched	Growth
Capital	Jan 69	+15.1% p.a.
International Growth	Oct 76	+25.3% p.a.
American & General	Apr 78	+19.0% p.a.
American Timaround	Oct 79	+22.4% p.a.
Recovery	Apr 82	+24.7% p.a.
Japan & General	Feb 84	+26.1% p.a.
European	Feb 86	+45.6% p.a.

Every one of these Framlington funds has outperformed the FT All-Share Index, the Dow-Jones Industrial Average and the Standard and Poors Composite Index.

OUR INSIGHT

Framlington Group plc is itself a financial services company. This gives us invaluable insight into the sector. Apart from our unit trusts, off-shore funds and life insurance interests, we are expanding into investment trusts, pension funds and private portfolio management through acquisitions which will bring our funds under management up from £420 million to over £1,500 million.

TWO KINDS OF UNITS

Units are available in both income form (with distributions twice a year) or accumulation form (in which net income is reinvested). Since the aim of the fund is out-and-out capital growth, investors are recommended to choose accumulation units. The estimated gross initial yield is one per cent.

HOW TO INVEST

Until 31 October units are available at the initial price of 50p each. To invest, complete the application form and send it to us with your cheque to arrive by 3pm on 31 October. Applications of £10,000 or over will receive a bonus of one per cent additional units at the expense of the managers.

From 3 November units will be available at the ruling offer price.

Investors should regard all unit trust investment as long term. They are reminded that the price of units and the income from them can go down as well as up.

INITIAL OFFER

OF UNITS IN FRAMLINGTON FINANCIAL FUND AT THE INITIAL FIXED PRICE OF 50P EACH UNTIL 31ST OCTOBER 1986

TO: FRAMLINGTON UNIT MANAGEMENT LIMITED, 3 LONDON WALL BUILDINGS, LONDON EC2M 5NQ

I/WISH TO INVEST THE SUM OF £ (MINIMUM £500) IN FRAMLINGTON FINANCIAL FUND AND ENCLOSE A CHEQUE PAYABLE TO FRAMLINGTON UNIT MANAGEMENT LIMITED. I AM/WE ARE OVER 18.

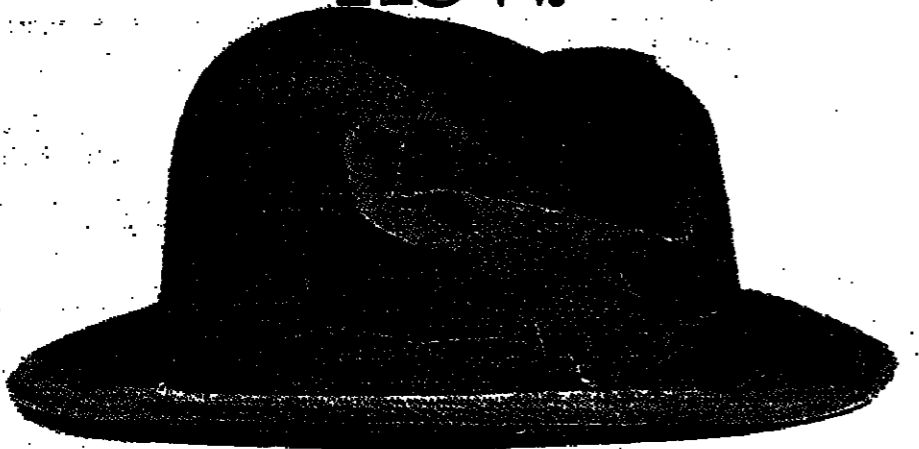
FOR ACCUMULATION UNITS IN WHICH NET INCOME IS REINVESTED, PLEASE TICK HERE

SURNAME (MR/MRS/MISS) _____
 FULL FORENAME(S) _____
 ADDRESS _____
 SIGNATURE(S) _____

(Joint applicants should all sign and if necessary enclose details separately)

FRAMLINGTON FINANCIAL FUND

Hatless TSB applicants phone 0800 414161 now.



If you've put money aside for TSB shares and your number didn't come up (or you didn't get as many as you wanted) there's no reason why that money can't still work for you.

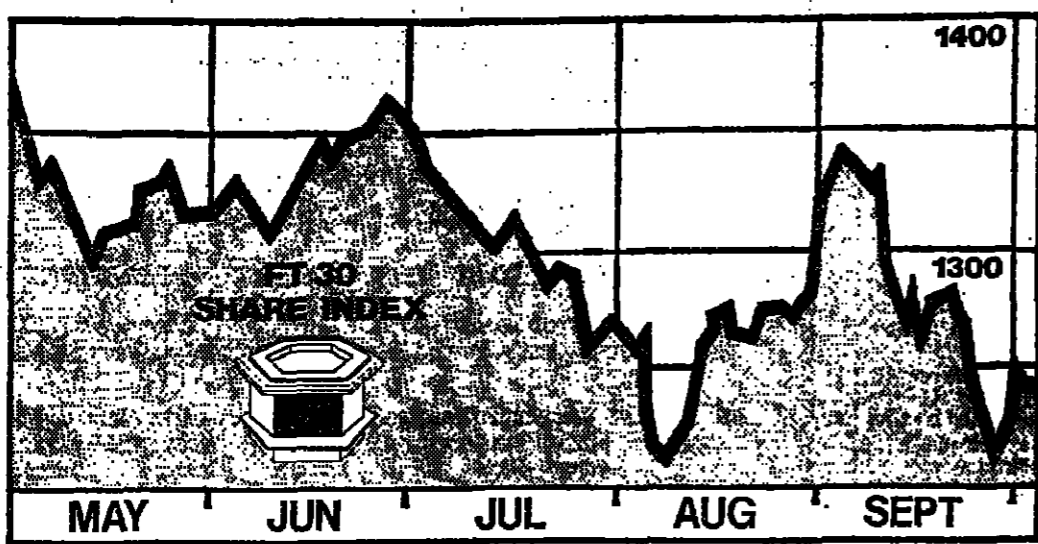
And perhaps even more profitably.

You could invest in one of Fidelity's wide range of top performing unit trusts.

For personal investment advice with no waiting, no post, and no disappointments, Callfree Fidelity now on 0800 414161, or anytime this weekend from 9.00am till 5.00pm or Monday to Friday from 9.00am to 9.00pm.

MAKING MONEY MAKE MONEY

Are you on the horns of a dilemma?



As an investor you know that the stock market has its ups and downs. Lately it may seem that we've been having more downs than ups. Since reaching an all time high in April the FT Industrial Ordinary Index had fallen by an overall 19.1 points at the beginning of October.

The big institutional investors can comfortably ride out this reversal but can you? Like many individuals who have enjoyed very high returns you should seriously consider realizing at least some of your stock market gains over the past year and reinvest them in a different market.

But which one?

The main alternatives for investors in securities have been either equities or fixed interest bonds. UK equities have produced high returns but with considerable volatility. UK bonds, on the other hand, have been regarded as less exciting.

There is, however, a unique way to secure for yourself prospects of growth with lower volatility than equities, together with an international currency spread, by investing in the new SUN ALLIANCE WORLDWIDE BOND TRUST.

It offers you the chance to invest in fixed interest securities worldwide. The objective of the Trust is to maximise total return through both capital growth and distributed income over the medium to long term.

Because of its geographical spread the Trust's performance is not unduly affected by economic and political fluctuations in any one market.

The WORLDWIDE BOND TRUST from Sun Alliance, Britain's largest personal insurer, has investments managed by Capital International, part of a highly respected US investment house which manages funds of over \$26 billion. Capital's expertise is based on its own meticulous worldwide research and its daily international economic indices are quoted by the Financial Times, Wall Street Journal, AP, Dow Jones and Reuters.

Units were first issued on 21.5.86 at 50p. At the offer price of 54.7p per unit on 3rd October 1986 the current estimated gross yield is 6.53%. In just over 4 months the size of the fund has increased to over \$25m and the offer price has increased by 9.4%.

Remember, the price of units and the income from them, can go down as well as up.

The managers of the SUN ALLIANCE WORLDWIDE BOND TRUST believe, that for long term growth it is a credible alternative to equity investment, especially if you have any doubts about the future progress of the equity markets.

ACT NOW and resolve your dilemma!

SUN ALLIANCE WORLDWIDE BOND TRUST

The Sun Alliance Unit Trusts, FREEPOST, Hovebank, West Sussex BN2 1BT.

If you wish to invest in Sun Alliance Worldwide Bond Trust the amount indicated below on the basis that units will be allocated to you at the offer price prevailing on receipt of your coupon.

If you wish the income to be re-invested in the Sun Alliance WorldWide Bond Trust, please tick the appropriate box.

If you wish to make a cheque payable to Sun Alliance Fund Management Limited for:

£ (Minimum investment £1,000. If you declare that I invest over £5,000, I will receive a 5% discount on my first unit.)

Signature(s) _____ Date _____

(In the case of joint applicants - maximum number four - all must sign and attach names and addresses on a separate sheet of paper.)

(Block capitals please)

Surname (Mr/Ms/Ms/Ms) _____

Forenames _____

Address _____

Postcode _____

This Offer is not open to residents of the Republic of Ireland.

SUN ALLIANCE UNIT TRUSTS

PLEASE READ THIS SMALL PRINT CAREFULLY

The buying price of units includes a charge of just over 5% and an annual charge of 2% (plus VAT) of the value of your investment. The terms of the Trust deed allow us to increase these charges to 6% and 2% respectively, subject to 3 months' notice but we have no current intention of doing so. The Trust qualifies as a "wider range" investment under the Trustee Investments Act 1961. Income tax, at the basic rate of 25%, is deducted from the income arising in the Trust. The distribution dates for the Trust are 31st May and 30th November, the first distribution being 31st May 1987. The prices of units and the yield will be published in several national daily newspapers or are available from the Managers. Remuneration is paid to qualified intermediaries and details are available on request. We will send you a contract note showing the number of units purchased at the offer price ruling on the day they are allocated. Your order will normally follow within six weeks. At any time you can cash some or all of your units at the bid price ruling when we receive your instructions. Your cheque will normally be issued within seven days of receipt of your signed certificate. Sun Alliance Fund Management Limited is a member of the Unit Trust Association. The Trustee is Lloyds Bank Plc, 71 Leadenhall Street, London EC3N 3DF. The Managers are Sun Alliance Fund Management Limited, telephone 0403 56293, Registered in England No. 954425. Registered Office: 1 Bartholomew Lane, London EC2N 2AR. Sun Alliance Worldwide Bond Trust is authorized by the Department of Trade and Industry.

Choices for disappointed TSB applicants

Follow your gilt feeling

ARE YOU wondering what to do with your rejected TSB cash? Then spare a thought for the Treasury index-linked 2 per cent 1988 gilt. It may not be a bowler-batted bonanza, but according to Robert Ross on the Greenwell Montagu gilt team, the stock is "outstandingly cheap". The net return if you hang on until the March 1989 maturity date, he estimates, could range from 8 per cent to 9.3 per cent, depending on your tax rate. That certainly has the edge on building society rates and beats the return on comparable conventional gilts and index-linked National Savings certificates hands down.

The key, of course, is inflation. Both the coupon and repayment value of index-linked gilts are linked - albeit lagged - to the RPI. However, Greenwell's estimates are scarcely provocative; they assume that the year-on-year inflation rate runs out at around 3 per cent each month until March 1987, and then rises progressively to reach 4 per cent in July.

Using those figures, the brokers have calculated the next three dividends and the final redemption price of the stock. Adjusting for investors'

Table 1: Net yields to redemption

Stock	0%	25%	45%	60%
Index-linked Treasury 2% 1988	9.30	8.68	8.32	8.00
Exchequer 10 1/2% 1988	11.01	—	—	—
Treasury Conv. 9 1/2% 1988	—	8.11	—	—
British Transport 3% 1978-88	—	—	7.03	6.55

Table 2: Net yields to 21/8/87

Stock	0%	25%	45%	60%
Index-linked Treasury 2% 1988	10.56	9.88	9.60	9.20
Exchequer 12 1/2% 1987	10.94	—	—	—
Funding 6 1/2% 1987	—	7.83	—	—
Exchequer 3% 1987	—	—	6.77	6.31

different tax rates and using the mid-week price of 121p, the results are shown in table one. Ranged against comparable conventional gilt yields, the index-linked stock is a winner for investors who pay any tax at all. However, its appeal does increase the higher the holder's tax rate—the usual case with index-linked stocks.

But investors might be well-advised to take an even shorter-term view, holding only until August 1987 when the stock's final redemption value will be known. At that point, the gilt will simply be priced as a low-coupon conventional stock. Using an estimated dirty price of 130.5p for it then, the brokers have done a second set of sums, this time comparing with three conventional stocks which mature in the same year. What's the explanation? A bit of market oversight, Ross says. When conventional gilt prices fall, index-linked stocks tend to follow them down, which is sensible enough, given that rising interest rates are usually akin to fears of future inflation and real yields from the two types of stock need to be related. But the 1988 index-linked stock, he argues, seems to have suffered a blanket mark-down.

If its prospective return

beats comparable conventional gilts for investors who are working to a reasonably short-term scale, knees spots off the 4th issue "granny bonds". These are directly linked to the RPI, but guarantee to pay a 3 per cent bonus on the first anniversary of purchase and a further 3.25 per cent on the second. So buying today (and again using Greenwells' inflation estimates), you might earn just over 7 per cent tax-free in year one and 7.75 per cent in year two.

Even if you plan to hold the fourth issue for the full five years, when the compound annual rate works out at 4.04 per cent, the index-linked stock is still a winner for standard-rate taxpayers.

The risk is that Greenwells has overestimated future inflation - but there cannot be many who would bet on that. The alternative is a hike in interest rates, which could leave basic rate taxpayers wishing they had picked a building society instead. But the redemption yields would be unaffected - and the stock's appeal to higher-rate taxpayers undiminished.

Nikki Tait

Plums for the unsuccessful

DISAPPOINTED TSB applicants face a difficult choice of what to do with their returned cheques if they want to keep money aside for the British Gas flotation in a month's time. Many of the special high interest accounts, launched by building societies in a frantic attempt to recapture some of the huge outflow of funds (£1.5bn was withdrawn from building society accounts to buy TSB shares according to the Building Societies Association) are dependent on the money being tied up for long periods.

You may face hefty loss of interest penalties if you want to withdraw your money early. So if you do want to have a try for British Gas it is best to keep the "spare" money in either building society or bank deposit accounts, with instant access or a short notice of withdrawal period, even if this means carrying a rather lower rate of interest.

But if you decide it is not worth going through all the same scramble as with TSB the building societies are offering an attractive range of goodies to try and win back the lost business.

So good are some of the interest rates on offer that it is difficult to see how the societies can afford them with the present mortgage rates. Indeed there have been some strong hints that mortgage rates may have to rise, even if there is only a small rise in base rate.

At least two societies, Leamington Spa and Sussex County, are now offering the very high annual rate of 9.25 per cent net (after composite rate tax has been deducted at source) which is equal to a gross rate of 13.03 per cent per annum. The minimum investment in the Sussex guaranteed bond is £25,000 and no withdrawals are permitted until September 1 next year when the terms of the account will be reviewed.

The guaranteed element is that the rate of interest paid on the bond will remain at least four per cent above the society's ordinary share account rate.

Just behind is Birmingham Midlands giving 9 per cent and a guaranteed differential of 3.75 per cent on its Premier Plus account, which requires a minimum investment of only £1,000.

Philip Court, chief executive, explained that building societies attracted only £450m from in August and last month there was a net outflow believed to be around £800m. So societies had no alternative to raise rates to meet the present demand for mortgages.

Lambeth says the first issue of Regal shares with the "king-sized" rate of 9 per cent has been such a success that it is being withdrawn. Instead the society is offering from Monday the "princely" return of 8.75 per cent on a second issue (dubbed son of Regal). To earn that rate you have to keep a minimum of £8,000, but above that sum you can make withdrawals without penalty. The society guarantees the rate will stay at least 3.25 per cent above ordinary shares until the end of December next year.

Anglia Building Society has improved interest rates on its high income bond—formerly known as the five year income bond—and on its capital plus account.

The compounded annual rate is currently 8.50 (11.97 per cent and the society guarantees the rate will not be less than 2 per cent above the ordinary share account for the full five years. Minimum investment is £1,000 and 90 days notice of withdrawal must be given to avoid a loss of interest penalty.

The capital plus account also pays a net 8.50 per cent compounded annual interest but the minimum investment is £10,000.

Skipton Building Society says the rise to 8.50 per cent paid on its Sovereign share account for sums of £10,000 and over provides the best available return for a no strings account.

Building Society Choice in its latest edition contains a list of accounts with short notice withdrawal offering above average interest rates. It's best choice is the Loughborough Permanent High Yield Shares, with a minimum investment of £20,000 and paying 8.75 per cent net. Second is Harpenden Herfordshares, minimum of £5,000 and paying 8.50 per cent and third is Market Harborough Time Shares, minimum only £500, also paying a net rate of 8.50 per cent but with a lower "true" (compounded) rate.

John Edwards

Merchant adventurers first discovered the wealth of the East. Exceptional rewards still await the enterprising.

SCHRODER FAR EASTERN GROWTH FUND

ONLY FOR THE ADVENTUROUS

Adventurous, yet discriminating
Investors who appreciate that an unusual level of risk must accompany the prospect of exceptional reward, will find the Schroder Fund distinctly appealing.

Schroder Far Eastern Growth Fund is an authorised unit trust conceived to exploit, fully and actively, the considerable potential offered by the stockmarkets of Asia and Australasia. In the future, these may currently open to outside investors.

An enterprising portfolio
The Fund aims for out and out capital growth through active investment among the stockmarkets of Hong Kong, Japan, Korea, Singapore, Malaysia, Australia, New Zealand, the Philippines, Taiwan and Thailand.

The portfolio is actively managed in equities, convertibles and warrants of quoted companies, with particular regard to technology, recovery and growth stocks, smaller companies and new issues. Investments may include fixed interest securities.

The Managers may use any or all of the investment and currency instruments or techniques permitted now or in the future by the U.K. Department of Trade & Industry. Examples include currency hedging, foreign currency loans and traded options. Investment may also take place within the prescribed limits in unlisted securities, unquoted securities and secondary or O.T.C. markets.

Close to the pulse
The investment advisers to the Fund are Schroder Asia Limited and the Fund therefore benefits from the same expertise which has placed a range of Schroder Far Eastern Funds at or near the top of their respective lists. Schroder Asia, a leading Hong Kong investment manager, established there for over 15 years.

Plus 21%* in 4 months
The performance of Schroder Far Eastern Growth Fund since launch on 17th May 1986 relative to its local capability. The offer price of units has already risen by over 21%.

Invest cautiously
Schroder believe that the dynamic profile, active management policy and exceptional local opportunities, to which Schroder Asia Limited are well

attuned, add up to unusually exciting prospects for continuing growth in the Fund.

Commensurate with these factors must be an above-average level of risk and we therefore recommend that any investment represents only a limited proportion of your portfolio. It is not a Fund for the timid investor.

Units will be issued at the price ruling upon receipt of your application. The offer price of accumulation units was 82.1p on 18th October 1986. The current estimated gross annual yield is 0.5%.

Minimum investment is £500. Remember that the price of units and any income from them may go down as well as up.

(*) 17.5.86-18.10.86, offer price, net income reinvested.

Schroder Financial Management
UNIT TRUSTS LIFE ASSURANCE PENSIONS ASSET MANAGEMENT

Chance to buy in on buy-outs

MANAGEMENT buy-outs have emerged as something of a phenomenon in the financial climate of the 1980s, turning from a trickle of \$50m in 1981 to a flood of \$1.5bn last year. Coincidentally, both of the Business Expansion Scheme funds which emerged last week will specialise in buy-outs.

The Quester Development Capital Fund 1986 aims to combine investment in young companies seeking development capital with investment in management buy-outs. The Johnson Fry Management and Leveraged Buy-Out Fund is the first BES fund to concentrate specifically on investment in buy-out companies.

Quester is the product of a joint venture between the City Stockbrokers Quince Goodins and the finance house, CNY Industrial Investments. The venture has raised £5m through two previous BES funds, both launched under the Quadrant name.

The new fund will adopt the eclectic investment policy of composing a broadly based portfolio of young companies, some buy-outs and some start-ups. The two established funds have holdings in 18 companies including Czech and Speake, the toiletries company, Molecular Products, a speciality chemicals producer, and Waterstone, the booksellers.

"We will use the same investment philosophy for the 1986 fund," said Andrew Holmes, Quester's managing director. "We have lost only one company from our portfolio so far and will continue to work with as broadly based a portfolio as possible."

Quester aims to attract around £2m for the fund and has set the minimum subscriptions level at £750,000. Investors must subscribe a minimum of £2,000 and can invest up to a maximum of £40,000. Quester will levy a management fee of 5 per cent for subscribers to its established funds and of 7 per cent for newcomers. The Quester Development Capital Fund 1986 will close on December 15.

The Johnson Fry Management and Leveraged Buy-Out Fund will be composed solely of buy-out companies. A management buy-out takes place when a company or the subsidiary of a company is bought by its managers and a leveraged buy-out when a company's assets are used as security for borrowings with which to finance the buy-out.

"The growth potential of buy-out companies is enormous," says Charles Fry, chairman of Johnson Fry. "That is why the largest institutions in the City are scrambling around trying to invest in them."

"Until now management and leveraged buy-out investment has been dominated by the institutions. This BES fund will allow individuals to participate, too."

In the composition of the fund Johnson Fry will liaise with the leveraged buy-out division of Citibank, the US invest-

ment bank. Should suitable buy-out investment propositions appear, Citibank will refer them to Johnson Fry. In the past 12 months Citibank has dealt with 10 leveraged buy-outs which would be appropriate for inclusion in the fund, representing an overall investment of £400m.

Johnson Fry aims to raise about £5m for investment in the fund and will levy a 4 per cent management fee on the capital raised. Because of the nature of management buy-out investment the minimum investors' subscription is relatively high at £5,000.

A phased system of payment has been devised whereby subscribers send 10 per cent of the money they intend to invest as an initial payment, which is called, for legal purposes, a "booking fee." They undertake to pay the remaining 90 per cent within ten days of demand. Once the 90 per cent is paid Johnson Fry will refund the "booking fee."

Alice Rawthorn

Alice Rawthorn

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	29%	45%	60%	Frequency payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	4.30	4.39	3.40	2.47	monthly	1	—	0-7
High interest cheque	7.20	7.40	5.73	4.17	quarterly	1	2,500 minimum	0
Three-month term	7.31	7.50	5.81	4.23	quarterly	1	2,500-25,000	90
BUILDING SOCIETY†								
Ordinary share	5.25	5.32	4.12	3.00	half yearly	1	1-250,000	0
High interest access	7.00	7.00	5.42	3.94	yearly	1	500 minimum	0
High interest access	7.25	7.25	5.62	4.08	yearly	1	2,000 minimum	0
High interest access	7.50	7.50	5.81	4.23	yearly	1	5,000 minimum	0
High interest access	7.75	7.75	6.00	4.37	yearly	1	10,000 minimum	0
90-day	8.00	8.16	6.32	4.60	half yearly	1	500-24,999	90
90-day	8.25	8.42	6.52	4.74	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account	10.75	7.63	5.91	4.30	yearly	2	5-100,000	30
Income bonds	11.25	8.41	6.52	4.74	monthly	2	2,000-100,000	90
5 1/2% issue	7.85	7.85	7.85	7.85	not applicable	3	25-5,000	8
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20-200/month	14
General extension	8.01	8.01	8.01	8.01	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	6.82	6.94	5.38	3.91	half yearly	1	2,500 minimum	0
Schroder Wage	5.79	5.95	4.61	3.35	monthly	1	2,500 minimum	0
Provincial Trust	7.48	7.74	6.00	4.36	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS‡								
7.75% Treasury 1985-88	10.47	8.17	6.91	5.73	half yearly	4	—	0
10% Treasury 1990	11.06	8.10	6.47	4.93	half yearly	4	—	0
10.25% Exchequer 1995	10.91	7.87	6.19	4.62	half yearly	4	—	0
3% Treasury 1987	8.11	7.21	6.72	6.26	half yearly	4	—	0
3% Treasury 1989	8.45	7.50	6.98	6.50	half yearly	4	—	0
Index-linked 1990‡	8.34	7.69	7.33	7.00	half yearly	2/4	—	0

* Lloyds Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. † Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

THE FT READERS GREAT INVESTMENT RACE

I wish to enter the FT Readers Great Investment Race and enclose entry fee of £10 (cheque or postal order made payable to Charity Projects).

Name: Address: Enter number of Stocks chosen totalling £35,000 in units of £7,000. Table with columns for 1st to 5th choice and Estimate of FT SE 100 Index on 23/9/87.

How to enter - You have £35,000 to invest in up to five different stocks from the FT-SE 100 Index in blocks of £7,000 each. Select the stocks or stocks you think will rise in price most during the year to September 23 1987...

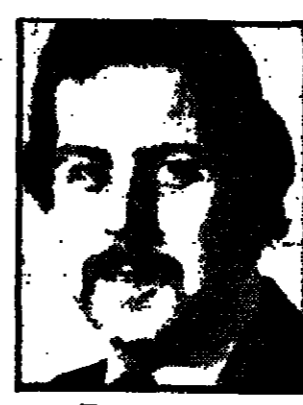
FT-SE 100 Companies - with prices as quoted in September 24 issue of The Financial Times. List of 100 companies with their respective codes and prices.

Some you win...

Alice Rawsthorn chases after the Great Investment Race

IN ITS first two weeks, the Great Investment Race has already seen its fair share of ups and downs. Prudential Portfolio Managers has surged into an early lead closely followed by the Japanese house, Nomura...

Fidelity, the unit trust group, has opted for a more speculative approach. It has already made a modest profit by dabbling in the Japanese markets. "We intend to be entirely opportunistic," says Anthony Bolton, investment director.



Trevor Pullen

Hoare Govett has had an unhappy start to the race. "We began with a slight disaster—in fact, it turned into a large disaster," says Peter Clark, assistant director of financial services. "We invested £9,000 in the Bund rights issue. All the indications suggested we would make a tidy profit, but out came a lousy set of trade figures the next day and down went Bund's share price. We lost £2,775 on that."

rites Market ten days ago. The Pru invested £25,000 in Miller's shares at the placing price of 105p and sold when the shares rose to an immediate premium at 150p. "We knew the issue would go well, but not that well," says Trevor Pullen, director of UK equities. "So we cashed in our shares as quickly as we could."

THE CHANCE to pit your investment skills against the professionals, and benefit charity at the same time, is provided by the FT Readers Race which is running alongside the Great Investment Race for professional fund managers. It is a somewhat different test of skill, but still benefits charity as well as giving you a continuing interest in how your selected share, or shares, are performing during the next year or so.

Will it sell the TSB shares? "It depends on the price," says Derek McIntosh, managing director. "But, whatever happens, I doubt we will hold on to them for very long."

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And of course, with no one better than Henderson to manage your European investment, there's no better time to start than the present.

ADDITIONAL INFORMATION: Distribution of income will be paid on 31st March and 30th September, the first payment being on 30th September 1987. The initial estimated gross annual yield is 4.5% (11.10.86). Counter notes will be issued and certificates will be provided within eight weeks of payment.

Legal Notices

No. 006910 of 1986 In the High Court of Justice Chancery Division IN THE MATTER OF IMPERIAL CHEMICAL INDUSTRIES PLC AND IN THE MATTER OF THE COMPANIES ACT 1985 NOTICE IS HEREBY GIVEN that a Petition was on the 19th September 1986 presented to Her Majesty a High Court of Justice for the confirmation of the reduction of the Capital of the above-named Company from £20,000,000 to £781,432,237 and for the reduction of the Share Premium Account of the said Company by £518,000,000.

Clubs: EWC has captured the other 20,000 of a total of 40,000 shares in the company since 1983. 30 shares are held by 100 shareholders. Report at p. 21.

Personal: CROHN'S DISEASE! ULCERATIVE COLITIS! COELIAC DISEASE! CANCER of the STOMACH & BOWEL! Our Fund for Research on Diseases of the Digestive System gratefully needs your help to continue this vital work.

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THE FINANCIAL TIMES is proposing to publish a Survey on Market Research. Publication date: 5 November 1986. 1. Introduction 2. Who's Who in Market Research 3. The Users of Market Research 4. Case Studies 5. Telephone Research 6. Standards 7. New Technology 8. The US Scene. Information on advertising can be obtained from Nina Jasinski. Telephone number 01-248 8000 ext. 4661.

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FINANCE & THE FAMILY

Salaried students get tax help

FOR THE growing number of employees who take a break from their jobs and return to full-time study, it almost inevitably means a drop in living standards even if a proportion of salary continues to be paid.

But financial assistance may be available from an unexpected quarter.

The Inland Revenue has announced that in certain (very specific) circumstances, payments made by employers to employees during periods of attendance on full-time educational courses will be treated as exempt from income tax. However, the relief is subject to stringent conditions which will exclude many employees who might otherwise have hoped to benefit.

The Revenue concession is one of a number—all for the benefit of employees—published last month. In each case the Revenue believes that, strictly speaking, tax is payable, but it has decided not to enforce the liability.

Student grants and scholarships have always been exempt from income tax, and the Revenue accepts that it would be unfair to treat less favourably similar payments made to

employees. This sense of fairness, however, extends only to cases where the size of payment is broadly comparable to what other students could expect to receive by way of grant.

Hence the exemption applies only if the employee's salary rate during the period of study is no more than £5,000 a year—or the equivalent paid on a weekly or monthly basis. There will be scope for a higher figure if an individual in similar circumstances to the employee would have received a larger amount from one of the official grant-making bodies; for example, from the Social Sciences Research Council.

If the employee's pay exceeds the limit the exemption is forfeited. There seems, indeed, little risk that the groves of Academe will be invaded by highly-paid executives in search of a tax haven.

The fact that an employee student earning more than £5,000 per annum is taxed on the full salary rather than on the excess over £5,000 creates a particularly nasty trap for the unwary. A student on a £5,000 salary who gets a £100 rise will be landed with an £800 tax bill—the employer's generosity will actually cost

£700—a reduction in net income of almost 15 per cent.

The Revenue is also very strict about the type of course the employee must attend in order to qualify for relief. It must be a full-time course lasting at least one academic year, requiring full-time attendance for no fewer than 20 weeks in each year. The place of study has to be a recognised university or college open to the public at large, offering a range of courses, both practical and academic.

If an employee does qualify for the exemption his or her salary should obviously be paid gross—without deduction of PAYE. If tax has been erroneously deducted in the past, the employee-student may be able to claim a repayment; the Revenue statement is retrospective in its effect. But it will be too late to claim if the employee's tax affairs for the year in question have already been finalised.

Even where conditions for an income tax "holiday" are met, National Insurance contributions will continue to be payable by both employer and employee. The employee's contributions will be deducted from salary in the normal way. An important concern for all

student employees will be college fees. The employer may be prepared to pick up the tab, or the employee may be left to cope out of individual resources. In either case the taxpayer is prepared to give a helping hand.

If the employee pays, the Revenue will allow her or him to deduct the fees from taxable income, even though such a deduction is not strictly permitted.

For the purpose of this particular concession the course of study need not last for longer than four weeks, and the tax deduction can extend not just to fees but also to travelling and accommodation expenses. However, an additional condition is that attendance on the course must be likely to enhance the employee's ability to do the job. But this does not mean a requirement that the course must lead to a formal qualification.

More fortunate employees, whose fees and other expenses are met by their employer, in theory could be treated as receiving a taxable benefit, but the Revenue confirms that it will turn a blind eye to this.

David Cohen

Covenants make sense

They're the best way for families to help with school fees, says Eric Short.

MANY PARENTS rely on other members of the family, particularly grandparents, to help with school fees. Recent surveys show that one child out of five at private schools is subsidised in this way.

The most tax-efficient method of providing the financial help is by a deed of covenant.

Under this arrangement, the grandparent covenants payments to the child. This is deemed as the child's net income and the parent can reclaim basic rate tax on behalf of the child on the single-person allowance—£2,335 a year.

So a covenanted payment of £2,335 a year with reclaimed tax relief of £893, assuming the child has no other income, becomes an overall payment of £3,228.

Deeds of covenant must be for more than six years, but they can be stopped when the

child has completed full time education or when the child reaches age 18.

The deed of covenant approach is available between any person and the child, except the parents. Covenants for parents assisting their children through university apply when the child is at least 18. The Inland Revenue will clamp down hard on anyone trying to operate related deals, such as two brothers by collusion making covenants to each other's children.

In many cases, the grandparent will be using capital to fund the covenant, rather than meeting the payments out of income. But as long as the grandparent's income tax payments exceed the tax reclaimed on the covenant, there is no problem.

In practice, parents cannot apply for reclaimed tax until payments have finished for the fiscal year. So the deed of covenant should arrange for an annual payment to be made at least at the start of the school year, rather than for termly

payments. It takes about six months for the reclaimed tax to be paid and parents have to go through the exercise every tax year.

But, most school fee specialists will provide all possible help from drawing up the deed of covenant to assistance in reclaiming the tax.

If grandparents have capital available, but very little income, then they can make use of the capital schemes described in a previous article. One school fee specialist has its own scheme for channelling capital payments for school fees through the covenant route.

Under the Deposited Covenant from the Maidenhead-based School Fees Insurance Agency the grandparent makes an interest free loan to the child over seven years—the minimum period.

The repayment of the loan by the child occurs simultaneously with the grandparent covenanted the same amount back to the child so no money transactions takes place. However, the parent can reclaim the tax.



This scheme looks artificial in its construction. Similar schemes in other areas aimed at tax avoidance have been hit hard by the Inland Revenue in recent years. But SFA claims that the Revenue is quite relaxed over its scheme.

Advice to the unwary abroad in the City, or

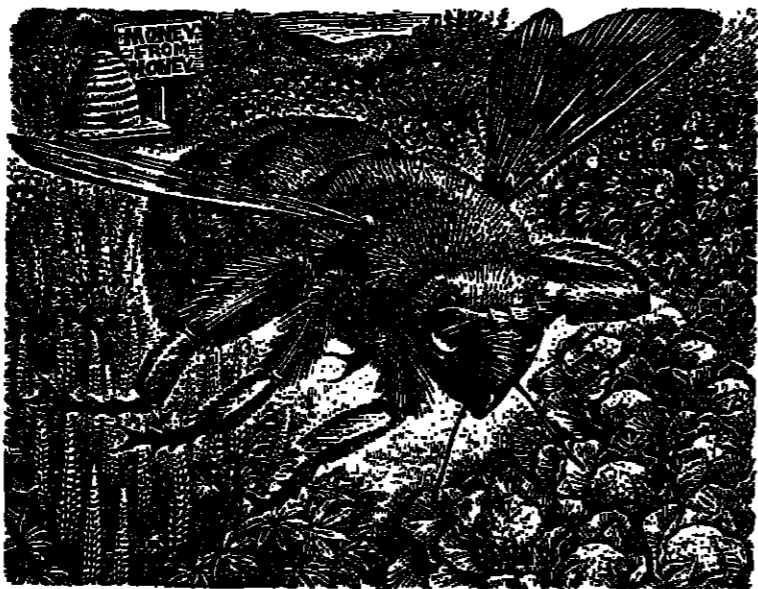
HOW A YOUNG UPWARDLY MOBILE BEE FELL FOUL OF A DASTARDLY VEGETABLE PLOT.



It had been the very essence of an English summer's day. Buckets of rain, a skittering of sleet, massed ranks of cloud. But now the rain had stopped. A segment of sun peeped through. The lawn sparkled like a jeweller's window.

A swarm of pinstriped bees was sweeping across the garden. They had turned the hive into a profitable business. "Money from honey" was their slogan. But one wily worker bee knew better than the rest.

Perched on a branch high above the flower beds, he mocked their giant hollyhocks, scorned their cornflowers, chuckled at their honeysuckle. For, lurking by the cold



frame at the head of the garden were the biggest flowers he'd ever seen. Great white globes, eight or nine inches across. Like an actor in a bee movie, he tugged up his collar and glanced around shiftily. Good: the coast was clear.

On whirring wings, he divebombed the first enormous flower head. He sniffed the air: there was no bouquet. He rummaged for the nectar, delved deep for the pollen. But the cauliflower, in spite of its name, had none.

The City, too, has its quota of people with harebrained schemes for extracting uranium from Arctic sleet or honey from cauliflowers. Naturally, they all come with promises of positively gargantuan returns. But our shrewd investor will always opt for a scheme that is much more soundly based. With their wealth of experience and the resources of Mercury Warburg Investment Management, Mercury can supply you with all the help and advice you need.



For details of our ten unit trusts, please write to: The Client Services Director, Mercury Fund Managers Ltd, FREEPOST, London EC4B 4DQ, (01-280 2800) or contact your usual financial adviser.

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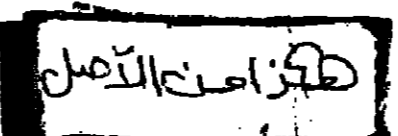
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David G.

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FINANCE & THE FAMILY

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Allied Arab*	7.57	7.84	Call	5,000	Nil	Yes	No	No	Yes	No
Alliance-Banksave	6.25/7.00	6.25/7.00	Call	500	Nil	Yes	250	Visa Classic	Yes	Yes
Aitken Hume/Treasury Account	6.91	7.13	Call	1,000	250	Yes	No	No	Yes	No
ANZ Finance†	5.98/7.48	6.12/7.68	Call	250	Nil	Yes	No	No	Yes	No
Bank of Scotland/Money Market	6.95	7.18	Call	2,500	250	Yes	250	Visa	No	Yes
Barclays Prime	7.00	7.19	Call	2,500	250	Yes	No	Barclaycard	No	Yes
Benchmark Trust	6.91	7.13	Call	Nil	Nil	Yes	No	No	No	No
Britannia/Cater Allen	6.82	7.04	Call	2,500	250	Yes	No	Trustcard (Visa)	No	No
Citibank—Cheque plus†	3.80/4.00	3.85/4.06	Call	Nil	Nil	Yes	No	No	Yes	No
Charterhouse James	7.10	7.34	Call	2,500	Nil	Yes	No	No	No	No
Co-op Cheque and Save†	5.06/7.00	5.09/7.19	Call	1,000	Nil	Yes	250	No	Yes	No
Dunbar—Master Account†	3.53/6.73	3.59/6.94	Call	2,500	250	Yes	250	Visa Classic	Yes	Yes
Henderson	6.85	7.18	Call	2,500	250	Yes	No	No	Yes	No
Lloyds	7.20	7.40	Call	2,500	Nil	Yes	Yes	No	Yes	No
M&G/Kleinwort	6.73	6.96	Call	2,500	200	Yes	No	No	No	Yes
Midland/High Interest Cheque Acct**	6.75/7.00	6.82/7.19	Call	2,000	200	Yes	No	No	No	Yes
Oppenheimer Money Management	6.63	6.80	Call	1,000	200	Yes	No	No	No	No
Phillips and Drew—High Int Cheque	7.10	7.29	7-day	2,500	250	Yes	No	No	Yes	No
Provincial Trust—High Int Cheq acct	7.48	7.74	Call	250	250	Yes	No	No	Yes	No
Royal Bank—Premium††	2.85/7.00	2.88/7.19	Call	2,500	Nil	Yes	250	Acess	Yes	No
Schroder Special Account††	6.17/6.26	6.25/6.34	Call	2,500	250	Yes	No	No	Yes	No
Save and Prosper deposit	6.80	7.01	Call	1,000	250	Yes	No	No	Yes	Yes
Save and Prosper Classic	6.80	7.01	Call	500	Nil	Yes	250	Visa Classic	Yes	Yes
Save and Prosper Premier	6.80	7.01	Call	1,000	Nil	Yes	275	Visa Premier	Yes	Yes
Tyndall/Money account	7.00	7.19	7-day	2,500	250	Yes	No	No	Yes	No
Western Trust Savings	7.43	7.89	Call	2,000	200	Yes	No	No	No	Yes
Wimbledon and South West Finance	8.22	8.48	Call	Nil	100	Yes	No	No	No	No

Interest Uting: * £2,000+. † Up to £2,500/£2,500+. ‡ Up to £2,500/£2,500+. § Up to £500/£500+. ¶ £500-£2,500/£2,500+. || Up to £2,000/£2,000+. ** £2,000-£10,000/£10,000+.

†† Up to £2,500/£2,500+. ††† Up to £10,000/£10,000+.

Source: Save and Prosper

Cheque mates

THE IDEA of banks paying you to use their services is obviously appealing. But it is normally only possible if you retain a sufficiently large amount of money on deposit to make it worthwhile for the bank.

But in the competitive conditions of today the sum you have to hold on deposit to earn interest, while using a cheque book, is coming down. ANZ Finance, a newly formed UK subsidiary of the Australia and New Zealand banking group, has introduced a high interest cheque account, which requires a minimum deposit of only £250. What is more it is free of all charges and there are no restrictions on the number of cheques written or the amount paid.

The book is issued made up of 50 per cent cheques and 50 per cent paying in slips, plus free post envelopes to send to the bank.

All you have to do to earn interest is to ensure a credit balance of over £250 is maintained. The interest rate on a balance of between £250 and £2,499 is set at 2 per cent below the ANZ base rate (10 per cent like other banks) on the whole balance including the first £250. This equals 8 per cent gross, but since interest is calculated daily and paid quarterly, the compounded annual rate (CAR) comes up to 8.61 per cent gross.

For balances of £2,500 and above ANZ Finance is paying the full base rate (of 10 per cent) which works out at 10.83 per cent CAR gross.

For UK residents, composite rate tax of 25.25 per cent is automatically deducted at

source reducing the net interest paid to 5.95 (8.12 CAR) at the lower rate and 7.48 (7.99 CAR) at the higher rate. A competitive level bearing in mind the low minimum deposit, and the absence of all charges and restrictions on cheque usage.

But there is a price to pay. The service does not include payment of standing orders and direct debits; there is no overdraft facility and no cheque guarantee, credit or charge card.

Peter Jones, chief executive of ANZ Finance, said it was aimed at being a savings account with a cheque book facility rather than an interest paying current account. As the table shows many of the other high interest cheque bank accounts do offer other facilities making them comparable with a current account, apart from the minimum deposit required.

Save & Prosper, for example, provides a complete current account service with its Classic and Premier accounts. You can draw money out from a wide variety of outlets. The Classic account includes a Visa card that can be used to withdraw sums of £100 or more from Girobank or Standard Chartered cash dispensers. Or withdrawals can be made during normal banking hours from any of the 5,300 UK bank branches displaying the Visa sign.

When abroad you can withdraw the foreign currency equivalent of between £100 and £250 a day from any of the 180,000 Visa bank branches worldwide.

The Visa card can be used as a cheque guarantee for up to £50 per transaction with the Classic account, and £75 with the Premier account, as well as to pay for goods and services. Visa card purchases are not debited from accounts until the monthly statement is prepared so you save loss of interest but lose the 25 days' grace given by charge cards.

Cash withdrawals by Visa card are debited from the account immediately, but there are no charges for withdrawing cash from a cash dispenser or bank account. Unlike the majority of high interest accounts, Save & Prosper also offers overdraft facilities.

There are no transaction charges either, irrespective of how many cheques you write for any amount.

The interest rate given depends to some extent on the minimum balance held. Deposits over £5,000 receive the quoted rate on the entire balance. But if the balance is below £3,000 the first £500 earns only 5 per

cent net, with the rest receiving the full rate.

When comparing the different interest rates quoted on various accounts it is important to check for any restrictions or hidden charges.

A returned cheque, for example, can cost you £5 and in many cases you may be charged for each debit according to the size of the balance held or management fees may be deducted.

The special attraction of the high interest cheque account, operated by London stock brokers Phillips & Drew, is that it includes a share dealing service. You can buy or sell any stocks and shares quoted on

the Stock Exchange, as well as authorised unit trusts with settlements made automatically through the account.

The minimum deposit is a hefty £2,500, however, and seven days' notice must be given for withdrawals, otherwise there is loss of interest. Any withdrawals by cheque automatically suffer seven days' loss of interest. Most clearing banks offer high interest cheque accounts, with the exception of the NatWest. To use its special reserve account, which has a minimum deposit of £2,000, you have to open a current account first.

John Edwards

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Good manors guide

THE IDEA to market lordships of the manor may look quaint and amusing but is actually competitive and lucrative with many people willing to pay between £5,000 and £35,000 to be a lord of the manor.

Robert Smith, who runs Manorial Research Ltd and estate agents Strutt and Parker are in the business where turnover in the past three years has topped £3m.

Lordships of the manor, created in medieval times, cannot be lost or destroyed because they are built into the legal system. Consequently many people have inherited them unwittingly and are unaware of holding a saleable asset. Some lordships are purchased by Americans, of course, but others by Continentals and Japanese who find the nostalgia a powerful draw.

The biggest single number of titles is held by the Church Commissioners who have thousands but who have apparently not yet realised the commercial possibilities. Next largest holder is the Queen as the Duke of Lancaster. The Duchy of Cornwall, Prince Charles' estate, holds quite a few hundred and is a seller. The Duke of Northumberland has between 200 and 300.

Smith, who started his lucrative business in 1981, has marketed 500 or 600 manorships and his company owns 30. He has brought hi-tech into the nostalgic business: his computer stores vast amounts of information including all known extant manorial documents. Other sources are the Victoria County History, the Inland Revenue, the Ministry of Agriculture, old wills, and surveys of estates.

From all this material, Manorial Research Ltd pulls out the plums to sell. Sometimes peers or solicitors ask for information, which is provided—for a fee.

The Domesday Book recorded a total of 13,418 manors and all of them still exist. About 25 per cent of them are "active," which means that the owners are aware of what they own. Theoretically it is possible to re-activate almost all the remaining 75 per cent.

We were taught at school that the Black Death killed off not only millions of people but also the feudal system, but lordships of the manor survived because they were built into the Law of land tenure, in the system called copyhold.

Copyhold was abolished as archaic in 1922 but lordships of the manor were not. Thought to have little monetary value, they tended to be forgotten, but because you cannot abolish a lordship they descended, willfully, to holders' heirs, hidden in a family's genealogy.

Tracking down forgotten lordships is a pricey business; the research can cost up to £5,000 a time and Manorial Research Ltd employs four researchers.

The market has turned upside down on the rules of economics. Here, supply has created

demand. Eighteen months ago it was feared the supply would swamp demand but that has not happened and Smith admits to attempting to regulate the market.

Most lordships of the manor are merely titles, for fun only, but some are valuable assets, the right to hold markets, for example.

The lordship of Orpington, for example, carries with it the exclusive right to hold a market there. British Coal owns Walnut Tree Centre, a large shopping complex in Orpington which incorporates an open piazza. It is a prime site for a market or perhaps 100 stalls. At rents of £20 to £30 a stall, even only once a week, it would be a good business. But only the owner of a lordship, is legally entitled to hold such a market. Robert Smith is going into partnership with the Earl of Carlisle, lord of the manor of Morpeth in Northumberland to run a market there. Rights to hold markets, being granted by the Crown, can never be suppressed except by Act of Parliament.

Lordships without documents currently cost around £6,000 or £7,000, but with documents, £2,000 or even more. The lordship of Garforth, York, was sold for £22,000 but it came with some lovely documents including a grant with seals of Charles I in 1639.

The biggest sum yet paid is thought to be the £35,000 for the lordship of East Ham, London,



Detail from the Garforth, York, grant with seals of Charles I dating from 1639.

which includes the right to hold a market; the buyer was the Borough of Newham, which wanted to tidy up its legal rights.

Lordships also survive in Wales and Ireland, and they add to the number recorded in The Domesday Book the market in Irish manorials is only now being tapped but has a large potential market in the United States among people of Irish descent.

Scotland is different; it has feudal baronies which are titles attached to property and are not hereditary, and only 300 or 400 of them are recognised. The Scottish baronies are hard to revive and depend for recognition on the court of Lord Lyon King at Arms and the Convention of the Baronage of Scotland.

Robert Smith was approached by a representative of the claimant to the Crown of Portugal, Dona Maria Pia with a view to the exiled royal house marketing dukedoms through him. A meeting was held in the Grand Hotel, Paris, but he says, "It would have been bad for the image. And a defunct monarchy has no titles to sell, while lordships of the manor are legal."

Donald Wintersgill

All this and South Africa, too

IS THE thought of coping with the Eaton Square house's dubious heating and the Cotswold barn conversion's rising damp this winter becoming just a little too much? If it is, why not swap such situations for a more spacious lifestyle in one of the world's most healthy (meteorologically speaking) climates where people cannot even spell gump (let alone know what it means) and where the Government encourages foreign property buyers with favourable exchange rates.

For the equivalent of about £200,000 (negotiable downwards) you could be the owner of four reception rooms, eight bedrooms, several bathrooms, a billiard room, two (yes, two) swimming pools, a floodlit all-weather tennis court, umpteen garages and a separate house for visitors all on an acre and a half. No, it is not stuck out in the wilds of the country. The house

is less than a quarter-hour's drive from the city centre, five minutes from the city's leading schools and around the corner from an up-market shopping mall.

What's the snag, you might be asking. None at all in the view of estate agent Eskel Jawitz who has this Dunkeld, Johannesburg property on his books at an asking price of just under a million rands. The property, he believes, is one of the best available in Johannesburg, though it doesn't have as commanding a view as another property he is handling at a price of around half a million rands or just over £100,000. It was built at the turn of the century for one of the country's mining magnates and needs fairly extensive renovation. But it stands on top of Houghton Ridge on more than two acres of land, with a 50-mile northerly view over the city and open countryside and is less

than 10 minutes from the city centre.

Apart from the five extremely large reception rooms complete with walnut panelling, the house has seven bedrooms, four bathrooms, a coach house, a swimming pool temporarily doubling as a sunken garden and the headache of another half million or so rands to restore it to its former glory.

Of course, buying property in South Africa might not be everyone's cup of tea after all the pictures of violence you get on television. Don't worry. When you get here you'll find that the government-controlled television steers well clear of visual material on South Africa's black insurrection but emphasises misery elsewhere by showing lots of footage on the violence in Belfast and Beirut. More to the point, wages for the servants and gardeners—you'll need to keep your new home in shape—

shouldn't set you back much more than a hundred pounds a month each.

If you need to escape to the country from the bustle of Johannesburg, you could combine relaxation with making your own wine. This week and next, there are two century-old wine farms being auctioned near Paarl outside Cape Town. One, on 97 hectares with 110,000 vines, labourers' cottages and out-buildings, has a 230-year-old Cape Dutch farmhouse as its focal point and should sell for less than a million rands or £175,000 to a British buyer. It is being sold by Pam Golding Properties in Paarl. The other, on about 820 acres, boasts about 300,000 vines as well as three turn-of-the-century homesteads, labourers' housing and out-buildings. Estate agent Clive Francis hopes the farm will sell for over R1.7m, or about £350,000 to a foreign buyer.



If the Cape is too far from Johannesburg for your tastes, why not consider getting down to the real roots of Africa with a couple of game farms less than half-hour's drive from the city. For R1.5m, or £300,000, you could buy 500 impala, 120 zebra,

20 eland, two giraffes, a dozen leopards, hyenas, bushbabies, baboons and a dozen other species all on two farms of 700 and 150 acres along with two main houses and four guest houses.

Jim Jones

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FINANCE & THE FAMILY

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Preliminary Announcement of Final Results to 31st July, 1986

The company was incorporated on 12th July, 1985 and commenced trading following the public offer for sale on the London Stock Exchange in November, 1985. Total proceeds amounted to US \$17,000,000 (US \$16,070,978 after expenses). Thus the figures below, an extract from the final results of the company, are for nine trading months only.

	As at 31st July, 1986	
	US \$	£*
Total net assets	20,851,493	13,966,171
Gross revenue	1,094,697	733,220
Taxation and administration expenses	283,865	190,131
Earnings attributable to shareholders	810,832	543,089
Proposed dividend	374,000	250,502
Retained profit	436,832	292,587
Earnings per share	4.8 cents	3.2p
Dividend per share	2.2 cents	1.5p
Net asset value per share	\$1.23	£0.82

*The company accounts in US dollars and the figures in Sterling are, for convenience only, converted at the rate prevailing on 31st July, 1986 of £1.00 = US \$1.493.
The unaudited net asset value per share as at 30th September, 1986 was US \$1.44 (£0.99), or US \$1.37 (£0.95) allowing for the full exercise of warrants.
The Annual Report and Accounts will be posted to shareholders at the end of October, 1986. The Annual General Meeting will be held at 12.00 noon on Tuesday, 9th December, 1986 at 9 Bishopsgate, London EC2N 3AQ.
The final dividend is expected to be paid on Thursday, 11th December, 1986 to shareholders registered on 25th November, 1986.

Highlights from The Chairman's Review

"We have already made several direct investments in companies operating in China. Among the ventures we are backing are a goose farm for the production of goose liver pâté for the export markets and a high quality documentary film. We have also invested in a venture capital company, which will give us a further indirect exposure to China's economy.
"We have adopted a prudent approach in direct investments, seeking out only the best opportunities. We now have a significant portfolio of potential investments and are in active negotiations with a large number of direct ventures in China. I expect our direct investment programme will accelerate in the current year.
"While seeking out direct investments, we have invested

in quoted companies, mainly in Hong Kong and Japan, which have significant business with China.
"Market conditions remain buoyant and I am confident that further opportunities will arise in the two principal external markets - Hong Kong and Japan - to invest in listed China-related companies.
"The Chinese economy is now showing every sign of an upturn, while the pace of reform, both political and economic, is encouraging. Our confidence is further enhanced by prospects for currency reform within China and further easing of restrictions on foreign investment. The tentative establishment of a small Stock and Money Exchange in Shanghai and proposals for others bode well for investment in China."
John D. Boisover, Chairman

To: Baring International Investment Management Limited - 9 Bishopsgate, London EC2N 3AQ, England.
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A place in the home team

Eric Short on a new insurance agency set up by estate agents

INDEPENDENT estate agents, worried by the problems they will face when the Financial Services Bill becomes law next year, have set up a central organisation - called Team Agencies - to handle their insurance advice services.
At present the small estate agent is able to provide insurance advice and services for both the house and the endowment or pension mortgage. Normally four or five companies are used from which to recommend products and, if there are any complications, then the friendly local insurance company inspector is called in.
But under the proposed financial services legislation, the situation will change. The agent's mainstream business will not be affected. He will still be able to arrange the buying and selling of property, the mortgage finance and even discuss the method of paying off a mortgage, since bricks and mortar are not deemed to be investments.
The estate agent can even arrange the house insurance without being affected by the legislation. But once he gets on to endowment or pension mortgages then he is caught by the Act because these products are deemed to be investments.
Under the financial services proposals he would no longer

be able to operate in his previous manner using a few insurance companies. Either he has to become the representative of just one life company, though he will be able to use as many companies as he likes for house insurance. Or he has to be a fully fledged independent intermediary, committed to the "best advice" principle of recommending products selected from every life company.
Many independent estate agents want to remain just that in every aspect of their service to clients. They have done so in respect of their mainstream business of buying and selling houses by forming consortia of other estate agents in their locality under the umbrella of the Team Association. These provide joint marketing, advertising and multi-listing of properties.
Now they plan to remain independent over the insurance services by setting up a similar central organisation - Team Agencies - launched this week as a public limited company.
Team Agencies will be staffed by the necessary expert personal to provide that all market coverage in life and pension and so quality for authorization as an independent investment firm under the financial services legislation. The estate agent will act as an introducer of business to Team Agencies and share the commission.
Thus clients buying a house



and wishing or being recommended an endowment mortgage will be provided with quotations from several leading life companies from which to make their choice. These quotations will be provided on the spot by means of the computer networks already in place for the operation of the Team Association consortia activities.
So housesellers using an estate agent which is a member of a consortia in the Team Association, and this is displayed on the branch signboard, knows he has the following benefits.
• If his property is not sold within 36 hours by that particular estate agent then it will be

put on the books of all other estate agents on the consortium, making the sale available to a wider range of potential buyers, just as if the seller had placed the property directly with each of the agents.
• Costs of advertising and marketing are not duplicated, thus keeping down the fees charged by agents.
Housebuyers have even more advantages through this arrangement.
• They have information on properties available from a number of estate agents details being provided by a computer based network.
• They have access to property details in other parts of the UK service by a consortium under the team association umbrella.
• Now they have access to independent financial services advice. Team agencies will provide an insurance broking service for house insurance requirements, as well as for financial services.
Over three quarters of the money for the new company is being provided by four insurance companies - Commercial Union, Legal and General, Norwich Union and Scottish Life. But they will have only 25 per cent of the voting power, the majority being held by the estate agents themselves. And if Team Agencies used just the products of these four companies, it would never get authorization.

BRIDGE

TWO OTHER books by Terence Reese and Roger Trézel, Master of the Odds in Bridge, and Elimination Play in Bridge, have been republished in the Master Bridge Series (Gollancz, paperback, £2.95). I can recommend them both. We look first at the question of percentages:

N
♦ A 5
♥ 10 7
♦ A 8 6 3
♥ K J 10 5 2
W
♦ Q J 10 7
♥ A Q 9 6 5
♦ 9
♥ 7 6 3
E
♦ 8 6 4 3 2
♥ K 8 4 2
♦ K 4
♥ 9 8
S
♦ K 8
♥ J 3
♦ Q J 10 7 5 2
♥ A Q 4

South deals with neither side vulnerable, and opens with one diamond. West overcalls with one heart, and North has a

sight problem. He finally bids two clubs, East competes with two hearts, and South raises to three clubs. North now jumps to four diamonds, and South goes to five.

If West leads a heart, the defence gathers two tricks, and the declarer will rely on the 50 per cent chance of the diamond finesse. But if West chooses to start with the queen of spades, there is an extra chance. South wins in hand with the king, and leads the queen of diamonds. West plays the nine, the dummy's ace is put up.

When the king does not fall, South decides to play on clubs, hoping that the defender who holds the king, now single, has three clubs. That combined chance, the authors tell us, is some 47 per cent compared with 50 per cent for the finesse. There is, however, the possibility of a deceptive play against defenders whose signalling is not all it should be.

At trick three, after winning with dummy's diamond ace, South plays a club to the ace, returns the four to dummy's

king, and leads the knave. Now East may think that South began with ace, four of clubs alone, and is trying for a ruffing finesse. If East fails to ruff, the queen wins. South crosses to the ace of spades and leads a winning club, on which he discards a losing heart. East can ruff, but the ruff comes too late.

Now for an endplay in a no trump slam:

N
♦ K Q 8 2
♥ 9 4 3
♦ K J
♥ A K 5 2
W
♦ 6 3
♥ Q J 10 7 6 5
♦ 10 5 2
♥ 9 8
E
♦ J 10 9 7
♥ 8 7 6 4
♦ J 10 7 3
S
♦ A 5 4
♥ A K 8 2
♦ A Q 3
♥ Q 6 4

South deals at same to North-South and bids one heart. North replies with one spade, and South jumps to three no trumps. North, looking at 16 points, raises happily to six no trumps. West leads the queen of

hearts, on which East discards the four of diamonds. Dummy's king wins, and South considers the position.

There are 11 tricks on top, and the declarer has no better play than to try for an even break in one of the black suits. He cashes three spades - East turns up with four. He then cashes three clubs - again the same result.

No squeeze is possible, because both menaces are held by East, and he discards after dummy. But there is a ray of hope. West is known to hold six hearts and doubletons in each black suit. He has, therefore, three diamonds, and these three cards can be eliminated from his hand. West can be subjected to a throw-in.

South makes king, queen, and ace of diamonds, throwing the eight of spades from dummy, and leads his two of hearts. West must win with his ten, on which dummy's nine is carefully unblocked, and now West must lead from his knave, seven of hearts into South's ace, eight. Most satisfying.

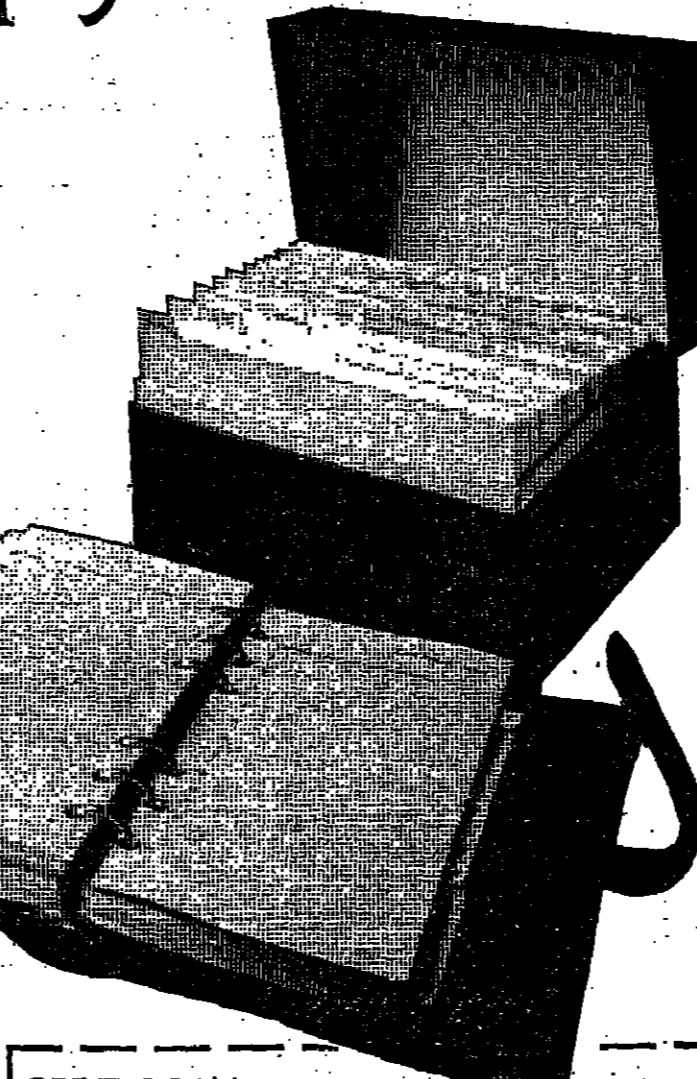
E. P. C. Cotter

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FINANCE & THE FAMILY

North-south house gap widens

THE north-south gap in UK house prices continues to widen, according to the latest survey by the Halifax Building Society.

There was some recovery in the Midlands, with the average price rising to £30,520 in the East and £31,340 in the West.

However, there were signs of a general slowdown in quarterly price increases. In all regions, with the exception of Wales, house price inflation during the third quarter rose more slowly compared with the rise in the second quarter.

The Halifax house price index rose by 12.8 per cent over the year to end-September compared with an increase of 13.6 per cent last month. Over the three months up to September, prices rose by 2.5 per cent against 3.7 per cent over the three months to August.

Nevertheless, over the first nine months of 1986 prices continued to accelerate strongly compared with a year ago. Although the average price in September fell to £40,427 from £40,828 in August, it was still well up on the September 1985 figure of £33,690.

STANDARDISED INDICES OF PRICES

Table with columns: ALL HOUSES, NEW HOUSES, EXISTING HOUSES. Rows: 1983, 1984, 1985, 1986 (1st qtr, 2nd qtr, 3rd qtr), 1985 (Sept, Oct, Nov, Dec), 1986 (Jan, Feb, March, April, May, June, July, August, Sept).

* Percentage change over the same period last year. † Arithmetic average of house prices (not standardised).

statistics on the number of mortgage approvals each month, with mortgages running at about 30 per cent below the mid-summer peak.

John Edwards

CHESS

A CRUCIAL victory in the 22nd game enabled Gary Kasparov to retain the world chess championship this week despite his startling reversal in games 17-19, when he lost three in a row.

At the end of their three marathon series for the title, K and G have played 100 lifetime games against each other, including a clock simul, when Kasparov was a schoolboy.

Overall, Kasparov deserved to succeed. He was simply the more creative and inventive player when it really counted, and he was able to raise his game both to take an early lead and when under pressure at the end.

But Kasparov's energies have been sapped in the course of this arduous match, trilogy extending over two years. Compared with his great period in the middle and late 1970s, his play has looked sterile.

The manner of Kasparov's victory raised new questions about the charismatic 23-year-old champion's psychology and the soundness of his style. His play in games 16 and 19 looked reckless, the kind of over-confident attacks which Tal and Bronstein got away with in their heyday, before opponents figured out how to meet them.

Perhaps the conclusion from the latest series is that Kasparov is not invincible, but it may take somebody like Bobby Fischer at his peak to prove it.

White: G. Kasparov. Black: A. Karpov. Queen's Gambit Declined (22nd game).

White mates in four moves at latest, against any defence (by Dr B. Kozdron, Bester Zeitung 1977). Black's choice is limited by his stalemated king, but White's opening key move is subtle and difficult to spot.

can neutralise the initiative. R-K1: 17 R-R ch, Q-R4; 18 P-R3, N-Q2; 19 Q-B4, B-N3; 20 P-KB4, Q-Q1; 21 N-R4, P-R4; 22 R-K1, P-N4; 23 N-B3, Q-N1; 24 Q-K3, P-N5; 25 N-K4, P-P; 26 N-B3 ch, N-N3; 27 P-P, N-Q4?

A serious error, since Black's game becomes static, while White's knight is superior to the bishop. Better Q-Q3 when if 28 N-K5; N-Q4; 29 B-N Black can retake with the queen.

And here R-QB1 would contest the open file. 31 R-QB1, K-R2; 32 Q-R3, R-N3; 33 R-R8, Q-Q3; 34 Q-RN3, P-R5; 35 R-Q8, Q-K3.

Black has to avoid traps like 36... R-N6? 36 R-R8 ch! 36 R-P, Q-B4; 37 R-R7, R-N8 ch; 38 R-R2, R-QB8; 39 R-N7, R-B7; 40 P-B3, R-Q7.

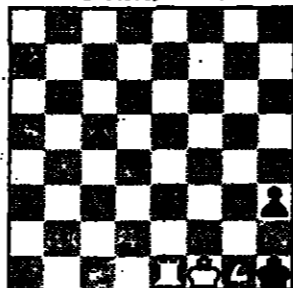
The adjourned position. Grandmasters analysing in London believed that Kasparov had misplayed the last few moves, but they missed his brilliant and effective finish.

41 N-Q7! R-P; 42 N-B8 ch, K-R3; 43 R-N4, R-QB5 (if R-R; 44 P-R, White can exchange pieces by Q-N5 ch and win the pawn ending); 44 R-R, P-R; 45 Q-Q6! P-B8; 46 Q-Q4! Resigns. Only 46... B-R2 avoids the

Q-R3 ch, but then White wins by 47 Q-B2, P-B3; 48 Q-Q2 ch, P-N4; 49 P-P ch, P-P; 50 Q-Q8 ch, K-N2; 51 Q-K7 ch, K-R3; 52 Q-B ch, exchanging all the pieces and promoting his QP.

PROBLEM No. 641

BLACK (4 men)



WHITE (3 men)

White mates in four moves at latest, against any defence (by Dr B. Kozdron, Bester Zeitung 1977). Black's choice is limited by his stalemated king, but White's opening key move is subtle and difficult to spot.

Solution Page XIII

Leonard Barden

Finally, from France, a French Unit Trust

Marianne - the symbol of the Republic of France, was originally the nickname of a secret republican society. Today she represents the spirit, ingenuity and resource of France - and to Duménil she symbolizes France's new financial revolution and the growth potential of the French economy.



DUMÉNIL French Growth Fund

Shrewd observers of financial markets are looking for areas where the next major investment opportunity. Life spans when the French economy is assessed to be on a 10 to 15 year growth cycle, when its Government is committed to a free-market democracy and offers tax incentives to entrepreneurs and venture capitalists.

The aim of the Fund is to invest in French equities and French securities house specialising in bond portfolios. Its subsidiary, Cotinord, is a leading specialist in equities. In France the Group manages 7 mutual funds and 5 unit trusts and a total of private and institutional money exceeding £1 billion.

The French market demand on-the-ground intelligence. Through the management of Duménil Labé, investors in the Duménil French Growth Fund will be certain of that.

Investment in a Fixed Price Unit Trust. Until October 17th, 1986, units can be purchased at the Fixed Price of 100p with an estimated initial gross yield of 2.0% p.a. To invest, return the coupon with your cheque (minimum £500) without delay.



Remember that the price of units and the income from them may go down as well as up. You should regard your investment as long term.

ONLY SIX DAYS LEFT FOR FIXED PRICE OFFER

Form with fields for NAME, SURNAME, ADDRESS, POSTCODE, TELEPHONE.

Joint applicants should sign and give details separately. This offer is only open to investors over 18 years old. (Not open to the residents of the Republic of Ireland).

Newsworthy!

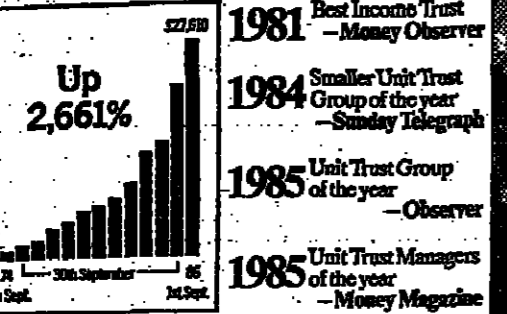
Top Performer ... Perpetual takes The Observer's 1985 Unit Trust Managers of the Year award. A richly deserved award. Its investment team - chairman Martyn Arbib, Bob Yearbury, Scott McGlashan and Martin Rasch - have been producing performance plums well for many years...

Unit Trust form guide ... Two groups deserve a big hand. Perpetual... achieved a 100% record in both periods (one year and three years): All their trusts performed above average.

Impressive ... Perpetual has the most impressive track record, hitting the top spot over the ten-year, nine-year, eight-year and five-year periods with two second places, one third, one fourth and one seventh.

Highest Marks ... Perpetual comes out of the comparison with the highest marks. With the sole exception of the International Emerging Companies portfolio, which falls into the near miss category, all the other long term funds in the group appear in the top quartile, both over the long term as well as the short term.

In the eleven years since launching the Group's first unit trust in the United Kingdom, Perpetual has earned an enviable reputation for consistent investment success. The International Growth Fund is the top authorised unit trust for capital growth over the eleven year period since launch to the 1st September 1986.



Form for Perpetual Unit Trust investment with checkboxes for various fund types and fields for personal details.

CONVERTIBLE AND GENERAL UNIT TRUST

A rare opportunity for more income than an equity income trust, and more growth than a gilt trust from Baillie Gifford's new fund.

With an estimated 8% initial gross yield the new BG Convertible and General Unit Trust aims to provide investors with a high and reliable income. It offers a substantially better return than nearly all UK equity income trusts (source: Planned Savings). But what makes this new trust so unusual is that it combines such a high income with growth potential, of a kind which a gilt trust cannot offer.

CONVERTIBLES - AN IDEAL COMBINATION OF INCOME WITH PROSPECTS OF GROWTH. Convertibles are issued by all sorts of companies from large, blue-chip groups like Hanson Trust to smaller but fast growing groups like Television South.

They start out life as fixed interest securities and are usually, at a later stage, converted into ordinary shares. A convertible is traded in much the same way as any other security and its price usually reflects that of the ordinary share. However, it's likely to be less volatile than an ordinary share price, a valuable measure of protection in weak markets.

Under current market conditions we believe convertibles represent very good value for money. Many appear cheap because they haven't caught up with the ordinary share price. Many are offering good yields in relation to gilts. And because the past year or so has seen more companies issuing such stock, there is now a wide variety from which to choose.

In our opinion convertibles have been overlooked for far too long. Baillie Gifford expects at least 85% of the Convertible and General fund will be invested in them. The balance will be invested in high yielding equity shares.

BAILLIE GIFFORD - BEST SMALL TRUST GROUP

Baillie Gifford, with total funds under management of around £1,450 million, have a long established reputation for worldwide investment expertise. Our first unit trusts were launched in October 1984. We now have six trusts, four of which are among the top ten in their respective sectors over the past year, including two firms (source: Planned Savings).

This kind of success brought Baillie Gifford four top honours in 1985, our first full year in the unit trust market; honours which included 'Money Magazine's Best Small Trust Group' and the Observer's 'Best Newcomer'.

We appreciate such accolades but after more than 75 years of managing people's money we tend to feel we've earned them.

WITH A QUARTERLY INCOME TOO - IT'S A BUY

If you need a dependable, high income with a prospect of capital growth then you should consider the BG Convertible and General Unit Trust for part of your portfolio. Dividends will be paid quarterly and, don't forget, you can reclaim any tax if you're a non-tax payer.

At the same time, we would like to remind investors that the price of units and the income from them may go down as well as up.

To invest, simply complete the application and return it, with a cheque, to Baillie Gifford & Co. Limited, 3 Glenfinlas Street, Edinburgh EH3 6YJ.

IMPORTANT INFORMATION

The trust is a UK authorised unit trust and a 'wide range' investment under the Investment Act 1961.

The minimum investment is £500 and units may be bought or sold normally on any normal working day or ruling prices. Prices and yield are published daily in the Financial Times.

There is an initial charge of 5% and an annual charge of 3% (plus VAT), calculated monthly, of the value of the trust. Both charges are taken into account when calculating unit prices. The trust deed allows the latter to be raised to a maximum of 1.5% (plus VAT) providing the Managers give 3 months' written notice to unit holders.

CONVERTIBLE AND GENERAL UNIT TRUST

The Baillie Gifford & Co. Limited, 3 Glenfinlas Street, Edinburgh EH3 6YJ. 031-226 6066 is the telephone number for the dealers.

I/We wish to invest £... in units of BG Convertible and General Unit Trust (minimum £500 and in multiples of £100 thereafter), I am/We are over the age of 18.

I/We enclose a cheque payable to Baillie Gifford & Co. Limited (or units at the offer price applicable on the date of your receipt of this application). Tick box for reinvestment of income. Surname (Mr/Mrs/Miss), Postnames in full, Address, Postcode, Date, Signature(s).



Which investment offers the potential of a top performing unit trust and guarantees that your original investment is secure?

More and more people are becoming aware of the opportunities of investing in the exciting world of stocks and shares, but some are concerned that their savings may be at risk.

To provide protection for investors Gartmore has designed Safeguard - one of the first Guaranteed Equity Plans of its kind allowing investment in the stock markets of the world, safe in the knowledge that the original investment is secure.

How the Plan Works

By combining in one investment the growth potential of a unit trust and a guaranteed investment with a life assurance company, Safeguard allows you to capitalise, over 5 years, on the growth opportunities of investing in stocks and shares without risking your original investment.

The Guaranteed Element

The greater part (69%) of your money is invested by General Portfolio to provide a guaranteed return after five years. This ensures that your original investment will be returned to you intact in five years time.

SAFEGUARD



The Guaranteed Equity Plan

The Growth Element

The balance (32%) of your money will be used to purchase units in a fund - the Safeguard Fund - established by the life assurance company for this Plan and invested exclusively in units in the Gartmore Global Fund. This top performing unit trust was launched in 1973, and is now valued at over \$42 million. It is well placed to take advantage of investment opportunities around the world.

Your Reward

The units allocated to the growth element provide your profit and remember, your original investment is secure. (The price of the Safeguard units will be published daily in the Financial Times.)

An investment linked to unit trusts can be more rewarding than leaving your money on deposit with a bank or building society. £1,000 invested in Gartmore Global Fund on 1st September 1981 would now be worth £2,924 (an average growth rate of approximately 24% p.a.) whereas the same investment in a building society account could be worth £1,521. Past performance does not guarantee future performance, but investors can be confident in Gartmore's international expertise.

How do I apply?

Simply complete the attached Application Form and return it with your cheque to your professional adviser or to: SAFEGUARD, General Portfolio Life Insurance PLC, Valley House, Crossbrook Street, Chesham, Bucks, EN8 8JH. Telephone enquiries: Freephone 0800-289321

General Information: Safeguard is underwritten by General Portfolio Life Insurance PLC who issue all the documentation. General Portfolio will also provide a valuation of your plan on request and deal with any questions that may arise.

This plan is designed to run for five years and the guarantee is that you will be entitled to receive back not less than your original investment at the end of five years period or on prior death. Nevertheless should it be necessary you may cash in your plan early and you will receive the bid value of the Safeguard Units allocated to your plan, as well as the surrender value of the guaranteed element of your plan which will depend on prevailing interest rates.

At the end of five years the total amount of your original investment will be returned to you plus a sum equal to the bid value of your Safeguard Units. Alternatively you have the option to reinvest your money. All the details will be sent to you before the end of the plan so that you can choose which option suits you best.

There are no management charges on the guaranteed element of your investment.

General Portfolio will purchase units in the Gartmore Global Fund to provide the growth element. The

Gartmore Global Fund currently has an annual management charge of 7.5% (plus VAT) of the value of the fund, plus an initial charge of 5% on the value of the assets, equivalent to 5% on the issue of units at the offer price. The Safeguard Unit prices calculated by General Portfolio will include these charges.

Your investment will accumulate within the plan together with reinvested income. An allowance is made for Capital Gains Tax at the rates currently applicable to life assurance companies. This will be reflected in the unit price calculated by General Portfolio.

General Portfolio makes no additional management charge.

Personal Taxation. No personal liability to tax arises during the five year term. For the standard rate taxpayer there is no liability to tax either on the guaranteed element or on the growth element of your investment. If you are subject to higher rate tax or are eligible for income tax age allowances an additional liability may arise, but only when the proceeds are taken. An explanatory note is available on request. If necessary, you should consult your professional adviser.

The Policyholders Protection Act 1975 was introduced by the Government to protect investors against the failure of an insurer. In the event of such a failure a

levy on premiums may be made on all insurers. Consequently General Portfolio reserves the right to deduct such amounts or other benefits as may be necessary in order to meet any levy imposed under this Act or any other legislation designed to protect investors.

This advertisement is based on Gartmore's General Portfolio's understanding of present law and related Revenue practice. No part of this advertisement constitutes an offer. The rights of an investor shall be governed solely by the terms of the policy issued by General Portfolio. A copy of the standard policy is available on request from General Portfolio.

Remember that the price of units and the income from them may go down as well as up. A copy of your completed proposal form is available on written request.

Gartmore Global Fund is a Unit Trust authorised by the Department of Trade and Industry. Gartmore Fund Managers Limited is a Member of the Unit Trust Association, Registered in England No. 13753.

General Portfolio Life Insurance PLC is authorised by the Department of Trade and Industry Registered in England No. 992255.

Unhelpful Revenue

I have two grandchildren who live in Sweden, the offspring of my daughter and her Swedish husband. Both children have dual Swedish and British nationality, though my daughter remains British only.

In 1985 I covenanted a small sum to the children through the medium of a savings plan and duly received from them a certificate confirming the payment to allow a claim to be made on the Inland Revenue for repayment of tax. The IR had previously approved the covenant, of which my daughter is the trustee. I should add that my daughter has lived in Sweden for some 12 years, making only infrequent visits back to the UK.

However, I have so far been quite unable to find out where my daughter should address her claim on behalf of the children for the refund of the tax I have paid. My tax office is in another part of the country, and a call at the nearest tax office resulted in my being told that my daughter should make her claim to the Swedish tax authority. This seems to me manifestly ridiculous - why should a Swedish Government refund tax which the UK Government has collected? A letter to my own tax office brought forth a singularly unhelpful reply: to the effect that they could only deal with my own tax liability, adding once again that my daughter should apply to the Swedish taxation department.

It is a pity that none of the tax officers took the trouble to get a copy of booklet IR20 out of their cupboard for you. Go back to them and ask for a copy of IR20 (1983) - Residents and Non-Residents: Liability to Tax in the UK. You will see from that free booklet that the children's claims will be dealt with by the Inland Revenue Claims Branch, Foreign Division, St John's House, Merton Rd, Bootle, Merseyside, UK L69 9BL.

I gave the person concerned a receipt which clearly stated that title would pass to him only upon clearance of the cheque. I have a copy of this receipt which was also given to the police before the claim was made on the insurance company.

My insurance company maintains that the car was not the subject of a theft but that I was deprived of the proceeds of the sale. My solicitor has written to the insurance company repudiating this contention on the grounds that all the elements of the Theft Act are present and therefore the car was stolen.

Can you give a view as to whether there is a reasonable chance to recover a quite considerable sum of money. While the car was obtained by deception within the terms of Section 15 of the Theft Act 1968, it remains unclear whether your policy covers that form of theft, or whether it means in the context, only stealing. It would be wise to consider compromising the claim if a reasonably large proportion of the loss can be agreed upon as the sum which should be paid to you.

Changes in gilts

In the last Budget, I think certain changes were made which affected the buying and selling price of gilt-edged stock.

Would you be good enough to tell me what these changes were and how the buying and selling price is quoted and affected?

The changes you have in mind were in fact announced at the end of February of last year and were embodied in last year's Finance Act (although some mistakes in last year's legislation have been corrected in this year's Finance Act). The accrued-income scheme is far too complex to explain in a brief answer. It is unfortunate that you missed the FT articles on the subject.

The answer to your final question is that (since February of this year) the prices of all gilts are quoted in the way which used to be restricted to those within the last five years of their life: the amount payable by the purchaser is the bargain price plus an amount equal to the gross interest accrued from the day after the last interest payment date to

the settlement date for which the bargain was done or, in the case of transactions done ex interest, minus an amount equal to the gross interest accruing from the settlement date for which the bargain was done to the interest payment date."

A costly account

I have some Australian interests which call occasionally for transactions in Australian currency. Due to a recent takeover I was sent a large amount expressed in Australian dollars, probably because the rate of exchange made it cheaper that way. Rather than argue over it I opened an account in that currency with a bank in Wales with whom I have other dealings. From time to time I receive both cheques and cash in dollars. When I send either to this bank they always make an appreciable charge. Although I have an account in that currency, when I pay in any credit in that currency I am charged rather heavily. This appears inequitable to me and is it normal to do this?

As the bank deducts tax at 29 per cent in dollars so presumably they have to remit this to the Inland Revenue in Australian dollars. Do you think this deduction is in order in a foreign currency? This is on small interest they pay monthly.

Articles in the FT have warned of the high cost of UK bank accounts in overseas currencies.

Interest on overseas-currency bank accounts came within the composite-rate tax scheme from the beginning of the current tax year (under paragraph 6 (1) of schedule 8 to the Finance Act 1984).

Do not forget that overseas-currency bank accounts fall within the scope of CGT (under section 135 of the Capital Gains Tax Act 1979).

No cause for panic

During the past couple of years I have built up a portfolio of unit trusts. They are spread through various sectors including Japan, America and Europe. Now we are nearing a general election, should a Labour government be elected and exchange controls and

restrictions on overseas investment be introduced, what would be the effect on my international unit trust? I can understand how there would be no problem should I wish to sell international unit trusts, but how do the fund managers stand if investors wish to purchase additional units and they in turn wish to purchase more overseas shares? In my present ignorance I feel I ought to sell all my international units as soon as the election date is announced.

If you study the Shadow Chancellor's comments, you may well feel less panic stricken when Her Majesty dissolves Parliament, on the Prime Minister's advice. Of course it must be borne in mind that it is possible that the Shadow Chancellor might not be selected as Chancellor by an incoming Labour PM.

Repaying a mortgage

Can you advise me about the benefits or otherwise of paying off an outstanding mortgage liability early? If a capital sum were available to pay off a mortgage would it be advisable to forego tax relief on the mortgage interest? It appears that many people advise on not making early repayments without being able to explain precisely why. Is there a general rule or does it all depend on individual circumstances?

The sort of question to ask yourself is:

- (a) Can I invest the lump sum to produce more income (and capital growth) than I shall be paying by way of mortgage interest, after tax and tax relief?
- (b) Might I need a lump sum at some time in the future? If I pay off my mortgage, might I later have to borrow money in circumstances where the interest does not qualify for tax relief, even if I remortgage my home?
- (c) What effective rate of interest shall I be paying on my mortgage, as distinct from the nominal rates stated by the building society?

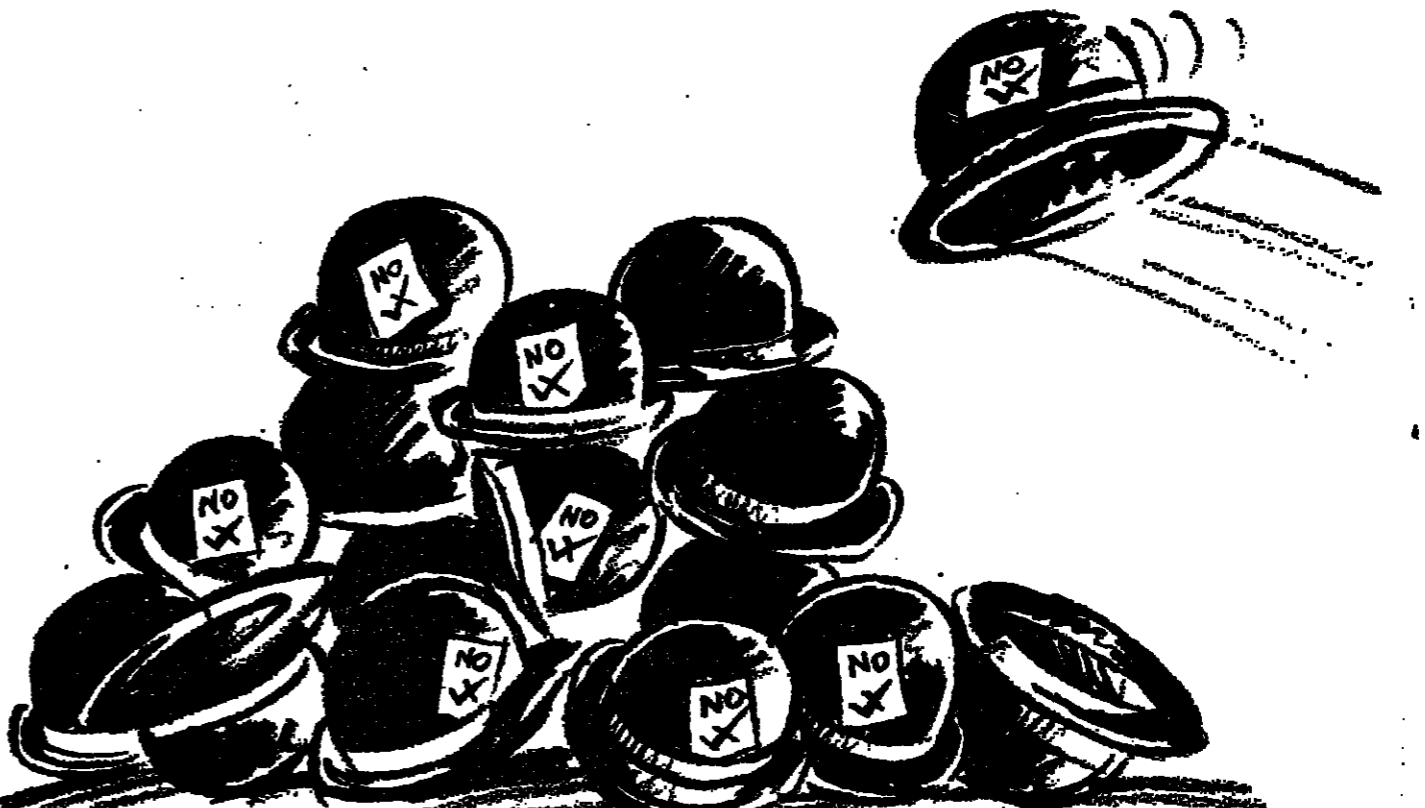
The general rule is "If in doubt, don't pay off your mortgage."

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Counterfeit cheque

I parted with my car against a perfectly good looking building society cheque made payable to me and issued by the building society and drawn on their own account. This cheque was accepted by my bank and paid into my account. Subsequently it turned out that the cheque was a quite exceptionally good counterfeit.

The answer to your final question is that (since February of this year) the prices of all gilts are quoted in the way which used to be restricted to those within the last five years of their life: the amount payable by the purchaser is the bargain price plus an amount equal to the gross interest accrued from the day after the last interest payment date to



Up to 8.25% p.a. from the Society that doesn't have to say 'no'.

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A balance of £20,000 or more attracts the top rate of 8.25% net p.a. Interest is added annually in October, or you can receive it as monthly income.

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AMOUNT INVESTED	INTEREST P.A.*	GROSS P.A.†
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£10,000 or more	8.00%	11.27%
£20,000 or more	8.25%	11.62%

*The money varies. †Equivalent yield for basic tax payers.

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Please confirm the application. Meanwhile, my investment is to start earning interest upon receipt.

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George Eykin seethes over bureaucratic callousness
Robbery followed by a wild goose chase



call were met with: "Oh, ça, tu m'emmerdes. Your's a pain". The results of being stuck... Suddenly, a French border policeman became vicious and threatened to hit me if I did not go back to Cerbère...



The new Jaguar Sovereign. Rectangular headlamps are the biggest outward change

Grace, pace, space

THE NEW Jaguar XJ-6, unveiled in Paris on Wednesday... Buyers who insist on having manual transmissions for their Sovereign or Daimler may do so. I cannot imagine who, having tried the automatic, would want a manual. If any car was made for two-pedal control, it is a Jaguar.

Jaguar's new XJ-6 is the mixture as before only more so, says STUART MARSHALL

TO GIVE the thief his due, it was a very professional job. On the West German overnight train from Strasbourg to the Spanish border with France, passengers pulled the seats out to make beds, and set down for the night. My green satchel bag with all my money and documents inside was well hidden under my seat. Sleep was the only object.

Gay Firth visits Philadelphia, first federal capital of the US
Tidy virtues, regular vices

"IT ALWAYS was a fine city, since I first knew it, and very greatly augmented." William Cobbett declared in 1818 of Philadelphia, America's first federal capital. Handsome, but distractingly regular, Charles Dickens remarked in 1842.

Repaying a mortgage

With advice on how to repay a mortgage, including tips on interest rates and payment schedules.



Philadelphia's Independence Hall where the Constitution was written in 1787

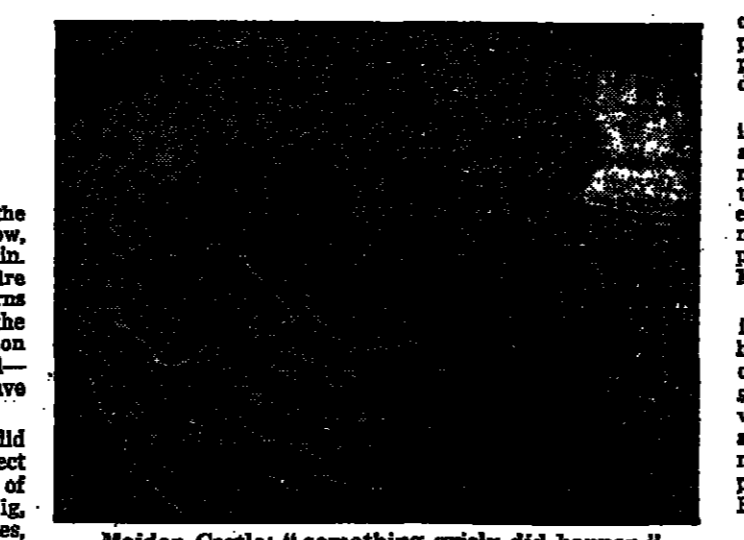
\$125 (double) for a room-and-bath of exceptional comfort. There is a 24-hour "brasserie" coffee shop and a splendid club on the premises called Elan, open to Warwick Hotel guests.

Philadelphians' Independence Hall where the Constitution was written in 1787

chunks of history: the Revolutionary War, Declaration of Independence, Liberty Bell, Congress Hall, Betsy Ross House.

Gerald Cadogan on progress at Maiden Castle
Mysteries unearthed

IS IT the landscape or the ruin that catches your eye when you visit our upland monuments? Or both together, since we cannot imagine them apart? No wonder fake monuments were made for 18th century parks. But they are tame compared with the real thing, such as the mighty turreted Dorset, which is always exhilarating seen from afar and when climbing up it.



Maiden Castle: "something grisly did happen"

from just how far, putting the hill fort into its own setting. It has often read about these British Iron Age grain pits; they are best known at Danebury, Hampshire, which is honey-combed with them. But these at Maiden are the first I have seen.

of southern England in terms of pottery and see how those compare with the pre-Roman tribal divisions.

Now, the dig is over. Study is under way and publication ahead. It has been an intensive, medium-size operation, with extensive attention given to all the earth, as it was scraped, planned, noted and sieved. The team is partly volunteer, partly from the Museum Services Commission.

Holidays and Travel
FALKLAND ISLANDS
Our association with the Falklands has been a long one. Now we are pleased to be able to offer an extensive tour with exciting birdwatching and wildlife viewing, fishing and horse riding as well as looking at settlement sites and visiting HMS Cochrane and Sleafield memorials.

STAYING IN LONDON?
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STRUTT & PARKER
PHEASANT SHOOTING IN HOME COUNTIES
We have a few days for parties of 7/8 guns still to let in November and December 1986. Days available are for 150/250 Pheasants at prices ranging from £11 to £12.50 per bird on expected bag.

Gardening

Gladiators invade riot zone

IT WAS mad, of course, but when I was offered a third piece of garden this spring I could not refuse it. How can you refuse a garden if you think you can see what to do with it? For years, I have wanted a dumping ground, the sort of private space in which you can grow the flowers which provoke a family riot.



It was not, then, cheating when Chris did more to help History and rescue her from being throttled by creeping buttercups during some very busy weeks. In early May, I had planted the gladioli in a hailstorm. I had chosen a vivid medley of lavender blue, deep crimson, yellow and my particular favourite which used to be called Green Woodpecker until an EEC directive obliged us all to refer to it as Groene Vuidspriek. Since then, I have weeded less often than Chris but I have sprayed with that unsuppressed plant food Phostrogen using it twice a month.

What though do you do with 300 gladioli opening at once. One answer is to pick them all and take them to meet your wife off the train, in place of 10 years' forgotten bunches of flowers. It might have been romantic but a fellow passenger remarked that the car full of flowers looked fit for a funeral.

My family riots over honest dahlias and gladioli. The gladioli cause the most trouble. By the time I remember to order the corms in spring, the small butterfly varieties have sold out. There are only the spikes of top heavy scarlet and yellow, classic gladioli which I much prefer but which are banned from coming anywhere near our house.

the face of preoccupied small-holders. As writers, both of us were likely to feel preoccupied. On a romantic view, different waxes would preside over either half of ground. My partner is a poet and one half of the allotment would belong to Poetry; my half belongs to History. More bluntly, each half belongs to different paymasters. My partner had been a Times man for some while and I would be gardening, of course, for the FT.

told, bloom spontaneously for poets; the spoolies of the Muses turn the ground into a carpet of blushing roses. Perhaps there might have been a carpet, but before the Muses smiled their poet joined the Independent newspaper and accepted a foreign posting. By last week Poetry had produced some unsteady beans, a few forbidding roses and a healthy crop of chickweed in the strawberries. History, meanwhile, had plodded prosaically through the summer. Unlike poets, historians are allowed assistance.

Two weeks ago, the adjoining allotment people rang up and sounded as if our plot was about to explode. Flower spikes were showing by the hundred; what did we mean to do with them? Did we realise they would encourage burglars? Vegetable growers tend to be such puritans. Why are you wasting good ground, they seemed to imply, growing useless flowers which nobody can eat?

The gladioli did look marvelously provocative. You could see them from half a mile away, bending at all angles under their weight through the surrounding lines of earnest broccoli and utilitarian spinach.

Robin Lane Fox

Collecting

Doctor in the shrubbery

IN THE catalogue of Great English Institutions, The Botanical Magazine deserves a place of honour. There may be longer-running scientific journals but no other colour-illustrated magazine can beat its record of 199 almost unbroken years of publication. The Royal Botanic Gardens at Kew, which now publishes the magazine, plan an exhibition to celebrate the bi-centenary next year.



Detail from the Botanical Magazine of 1802, one of those to be sold at Christie's

The founding genius was William Curtis, who is commemorated in a small museum at Alton, Hampshire, where he and his Quaker family exemplified the Georgian characteristic of moving with surprising ease from one profession to another. His grandfather was a physician and apothecary, and his father a tanner. Curtis was apprenticed to his grandfather who disapproved strongly of the interests in insects and "weeds" which he evinced early in life.

However, he was encouraged in his botanical pursuits by an ostler at the pub next door, an illiterate man called Thomas Legg who, according to Curtis, had acquired phenomenal knowledge of plants by studying the illustrations in the herbals of Gerard and Parkinson.

He came to London to finish his medical studies at St Thomas's Hospital and later ran a practice in Gracechurch St. So much of his time was taken up with plants rather than patients, though, that he was obliged to take on a partner, to whom he sold out fairly speedily. By the time he was 27 he had been appointed Demonstrator at another notable and still flourishing London institution, the Apothecaries' Garden in Chelsea. Here, his job was to lecture the student apothecaries on medical botany.

longevity that seems endemic to botanists. The Botanical Magazine has had comparatively few editors in its long career. Indeed, in the 105 years between the death of Curtis in 1799 and 1904, there were only three editors. Curtis was succeeded as editor by his friend, John Sims, who lived to 82; from 1826 the post was filled in turn by William Hooker, who lived to 80, and his son, Joseph, who retired at 57 and lived to 94. Joseph's daughter, Harriet Ann, one of the long succession of fine botanic artists who have drawn the plates, died at 92 in 1946.

The Botanical Magazine long ago ceased to provide anyone with pudding; no longer an economic enterprise, in 1921 it was threatened with extinction. For the first time, there was no annual volume that year. It was saved, however, when it was adopted by the Royal Horticultural Society. To maintain its broken record, the "1921" volume was finally published in 1938. In April 1984, it was taken over by the Royal Botanic Gardens and incorporated into The Kew Magazine. The present editor is Dr Christopher Gray-Wilson, and the magazine is published in association with Collingridge.

Few subscribers, outside great libraries and scholarly institutions, have matched the continuity of the publication or the longevity of its old editors. It is rare to find complete runs in private collections, so that it is a major event when one appears in the saleroom. On October 15 Christie's has such a set, running from Volume 1 to Volume 184, of 1983, and lacking only 14 plates from the total of 10,574 issued up to that time.

The major part of this set might have been put together late in the 1930s or 1940s, since the uniform half-morocco bindings, in good period style, seem to date from this period, while the later volumes are slightly different in style and colour. A price between £25,000 and £35,000 is expected. A less attractive set from the Treace Abbey library, with off-white engraving gave way to lithography; but the plates continued to be coloured by hand until 1949 when it became impossible to find enough artists for the work. Because of the remarkable Janet Marsh

Right to the point

WHY MUST roses have thorns? The standard reply is that they have always had them, always will do, and that there is no demand for roses without thorns. Rose-grower Jack Harkness produces all these arguments in a recent issue of Country Life, quoting Zoroaster and Ovid in support and actually claiming that growers take a pride in overcoming the problems of thorns.

unsatisfactory as a parent of other thornless roses. A few years later, though, he did obtain two sister seedlings that were both thornless and good parents. With this is a starting point he has proceeded steadily ever since, and by now appears to have about 100 different thornless (or nearly thornless) varieties.



article about his theory in the 1982 Rose Annual. The gist of this is that thornlessness in roses is controlled by genes floating freely in the sap and not confined to the nucleus within the cell, as are the majority of genes. The importance of this is that free genes are not embroiled in the endless tangle of separation and recombination which goes on in the nucleus and which can make the breeding of complex hybrids such a very unpredictable affair. Free genes can be passed on from one generation to another with a fair degree of certainty, and Oliver was building them up when he propagated from those stems that had the fewest thorns.

the male pollen grains, which have scarcely any. Turning to more immediately practical matters, I see that roses are already on sale in quantity in polythene packs in the garden centres. Clearly, these early arrivals must have been stripped of their leaves artificially to make it possible to dig them up and prepare them for sale. Personally, I think it is too soon to be planting roses from anything but containers.

Arthur Hellyer

Advertisement for Montblanc Meisterstück pens, featuring an image of a pen and text describing the brand's quality and history.

Advertisement for 'Golden treasury of Kidd stuff', featuring a map and text about a treasure hunt led by Captain Kidd.

Advertisement for 'Cookery' featuring a recipe for 'Rowanberry Jelly' and text about the benefits of rowanberries.

Advertisement for 'London Properties' featuring a large apartment building and text about its amenities and location.

Advertisement for 'Fine fruit for a jam session' featuring images of various fruits and text about the quality and availability of the produce.

Advertisement for 'Cookery' featuring a recipe for 'Cornish Bramble Tarts' and text about the ingredients and preparation.

Handwritten text in the top right corner, possibly a name or date.



Handwritten signature or text at the bottom center of the page.

Chelsea turns crafty



is happening in the world of crafts, to find a craftsman whose work you like and to keep him (or her) in mind for the day when you would like to commission something special.

When Lady Philippa Powell first had the bright idea of bringing the work of the best of our craftsmen together under one roof six years ago there were just 30 exhibits and turnover was just £2,000. This year there are some two hundred exhibitors, turnover is expected to be about £800,000 and so popular has the event become that it has been divided into two sections.

The first part of the fair is from October 11 to 13 and then from October 15 to 20 a new group of craftsmen with completely new and fresh work will arrive. There's lots of emphasis this year on ceramics (some wonderfully fresh and joyful pieces, many like Mary Case's hare photographed here, featuring animals), on jewellery, on blown glass, on furniture and on toys. The mood among them all is softer, more romantic, more seductive than ever.

If you are in the mood for a little early Christmas shopping go along to Chelsea Old Town Hall, in the King's Road, London SW3 on any day between October 11 to 13 and between October 15 and 20.

REGULAR READERS will know by now that the annual Chelsea Crafts Fair is a marvellous way of doing some early Christmas shopping. Each year it attracts growing numbers of crafts people from all over the country. Each year there is the same attractive mix of the small and the ethnic, the gentle, the serious, the frivolous and the plain whacky.

You can go looking for a one-off idiosyncratic piece of pottery, for a witty piece of jewellery, or a fine, hand-made sweater. You can buy a cashmere shawl so fine it will do the traditional party-trick of going through a wedding-ring.

You can buy as little as a sparkly bow tie or something as large as a piece of furniture. It's a good place to see what



ABOVE

MARY CASE does some of the most charming ceramics I know; regular readers of *FTS* will already be familiar with some of her work. I first discovered her at the Chelsea Crafts Fair some years ago and she continues to exhibit regularly. She specialises in soft, pretty colours and rather gentle rural themes. Here is one of her March hares, seven inches high, handbuilt in glazed earthenware and hand-painted in bluish grey with blue, yellow and orange flowers. On the side is a lady-

bird, bumble bee and small painted in her own authentic colours. Besides her March hares she also does elephants, ducks and large classical lidded bowls.

The March hare is £90 and can be bought at the Fair. Otherwise contact her at home - 32 Hield Road, London SW16 (Tel: 01-352 8488) or at her studio (01-622 8486) for special orders or colours. Those who like her work might like to know that she also does decorated tiles sold through Criterion Tile Shop, 196 Wandsworth Bridge Road, London, SW6.



PERFECT for wearing around the house and for teaming with jeans or trousers, this tunic is made from 100 per cent cotton, hand-printed (which gives the fabric its special charm), and comes in a lovely navy-blue and white. The hand-printing is a minority craft from Xian in the Kun Ming district, Neal Street East has lots of jackets in various shapes and designs, starting at about £19.

China syndrome

ALTHOUGH China has not been short of attention in recent times, there is nothing like a royal visit for focussing eyes on far-flung places. This week the Queen starts her tour there, and it seems a good moment to see how the new, outgoing attitudes of post-Mao China have influenced the shapes and colours of what we buy in the shops.

Two London stores with long and honourable connections with the Far East are at present making quite a fuss of all things Chinese. Liberty of Regent Street, in the heart of the West End, has been trading with the Far East for well over 100 years and its current exhibition (until October 25) is a must for all those interested in the rare, the precious, the old.

Here, you will see some of the most unusual and most expensive of pieces—and if it's furniture you are after, you had better hurry. Fine antique chests, beautifully crafted, are selling fast. There is a splendid bedhead—so dramatic that the buyer, Alison Pynch, thought

it was a temple door. There are antique pots and plates, lacquerware as well as contemporary rosewood, brocades and reproduction furniture.

Meanwhile, Christina Smith has been making forays into China since 1972.

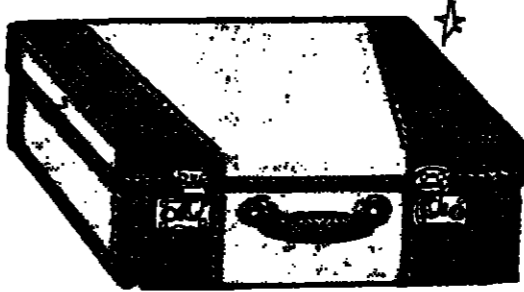
She has seen a big change in what is available since the Cultural Revolution and reports that the arts and crafts are once again blooming.

At her shop, Neal Street East, at 57 Neal Street, WC2, she has some of the best of the new-look products. Look out for the pure silk T-shirts (hot items among the Peking diplomatic set, more glamorous than thermal vests, and just as warm), at £11.50 a throw.

Then, there is a good selection of Taoist jewellery ranging from silver rings at £6 to a "long life necklace" at £35. For travellers to sunny climes, there is a completely collapsible sun hat—in red, white, black, pale pink and pale blue, it comes in its own zip bag and folds almost completely flat. £2.99. Everything sketched here is from Neal Street East.



A **CREAM Kimono** from Shanghai. Made from creamy nubby silk with white hand embroidery, it shows some deference to the tastes and influence of the large Japanese market so it isn't "pure" Chinese. However, for Westerners it makes a marvellously simple wrap-around for wearing in the house; and at £29.95 for a pure silk number, it is hard to beat for value as well.



MADE FROM Shanghai brocade, this bra would certainly not have been much in evidence in Mao's time. Today, it is widely available in Shanghai and the brightly-coloured fabrics plus the intricate stitching make it look very unlike most people's idea of underwear. It could certainly be worn under an open jacket (instead of a camisole) or in the summer in conjunction with a sarong-style skirt. £6.50.

SUITCASES were still made during the Cultural Revolution—but they were allowed only in the sober colours of black and brown. Today, you can actually specify colours. Made from leather and canvas in Nanjing in Jiangsu, there are three sizes—£13 for the small (31 cm by 20 cm), £14 for the medium (36 cm by 25 cm), and £15 for the large (41 cm by 23 cm). **CHINESE** rice bowls are nothing new. The blue-and-



white versions have been around for years. Christina Smith had long wanted to buy them in plain white and it took her six years to persuade the factories to make them. At last she has done so and here they are—translucent, delicate, elegant. £1.30 for the bowl, 65p for the spoon.



ABOVE **JILL FANSHAW KATO** is another ceramicist exhibiting at the fair, and this large oval dish (13 in by 9 in), a work of great vivacity, really deserves to hang decoratively upon a wall or dresser as well as to be used. It is made of stoneware with a black slip background and hand-painted

birds in orange, pink, green, blue and beige with a clear glaze finish. The dish sells for £38 at the fair, but those who like Jill Fanshawe Kato's work might like to know that there is always a selection at Primavera in Cambridge, the New Ashgate Gallery in Farnham and, for our Japanese readers, at Seibu in Tokyo.



RIGHT **SOME** of the best pieces to look for at the Fair are the exceedingly reasonably priced works of Paul Gandy. I can hardly think of better value than this enchanting bird-bath, which Paul Gandy sells for the princely sum of £15. In stoneware with a matt glaze in an oatmeal colour, it is made by four fairly intricate processes, from "throwing" through to "extrusion modelling." Just

5 in tall and 3 in diameter, you can buy it at the Fair, but anybody interested in seeing more of Paul Gandy's work can also see it at Imrite Harmony in St John's Wood, London, NW3; Peter Dingley in Stratford-upon-Avon; Open Eye Gallery in Edinburgh; Blue Coat Gallery in Liverpool; Pyramid in York; Yew Tree Gallery in Little Wymondley, near Cheltenham. Besides bird-baths he also likes doing model towns and houses.



Safari, FT-style

THE Financial Times Safari into the inner wildernesses of Zimbabwe is back and we had a smashing time. How kind of you to ask. We saw places and did things none of us could ever have done on our own.

We slept in tents on the banks of the Busi River, nodded off in tree houses to the sound of bullfrogs grunting, dreamed under acacia groves to the distant roars of lion, and spent our final night cheek by jowl in little box scout tents looking over the blue waters of the Zambezi and onto the purple mountains of Zambia.

We had pancakes with golden syrup over makeshift fires, ate more than was good for us in the middle of nowhere, and celebrated two wedding anniversaries with cakes baked by our Batonka cook in the middle of Chizarara.

We were slightly short on the promised "heat, dust and flies," longer on chilly early morning starts than our urban metabolism cares for. A few too many hours were spent in Land-Rovers (lessons to be learned there) but we tracked down rhino, elephant and lion and even caught glimpses of cheetah. We wandered into

Batonka villages so remote that the women still had their feet in the slave-traders from evening them.

We had enough scares to be pretty glad we were just playing at being Great White Hunters. The Land-Rovers broke down in the most predictable and adventurous kind of way—two of them within five minutes of each other.

There were moments when the bright idea I'd had way back last year seemed far from bright (more like plain dumb)—like the time the most nervous member of the party, the one I'd spent hours convincing that canoes never, ever overturn, found herself and £2,000 worth of new camera equipment churning in the trashing waters of the Zambezi within two minutes of climbing aboard (gutsy girl, she got straight back in).

All in all, though, we agreed it was the best house party ever. "Magie" was the word most often used. Abernethy & Kent and Alan Elliott did us proud, but the

real stars of the holiday were the readers who came along. Terrific, every one of them, from the 69-year-old who was game for every adventure to dashing young Nick who didn't seem to mind the lack of mobile blenders. With that lot, you could have had a good time on a wet weekend in Blackpool.

Any takers for any more FT specials? And, if so, what kind? Let me know and watch this space.

L.v.d.p.

Schooled in vintage scandal

ALTHOUGH THE wine business may be peculiarly susceptible to frauds, the usual run of scandals involve beverages no worse for the drinker's constitution than the wines imitated. Yet they attract an inordinate amount of publicity: the wine drinking public thoroughly enjoys the humiliation of wine merchants—not to mention wine-experts, a breed attracting much suspicion.

But there is a certain joy in finding cheeky chappies who buck the system. Pierre Bert, the central figure in the Bordeaux scandal of 1973-74, became almost a French national hero. The Bordeaux scandal was a classic not because the wines involved were at fault—they were perfectly decent reds from the Midi masquerading under another name—but for the fun of seeing the mighty fallen.

There is also a certain public innocence involved. The assumption is that the usual run of wines are pure juice of the grape untouched by chemistry. This belief is touching—and so valuable that wine shippers dare not explain that there is simply a branch of the food

processing industry. They could add that most scandals spring from the public's notorious meanness and love for a bargain, however false; and they could also claim that they are, in a sense, the victims of a revolution of rising expectations.

For the wines which made claret and sherry, port and

champagne famous were, by today's standards, monstrously doctored liquids. Modern table wines are much purer—and healthier—than anything known to Victorian—let alone Georgian—British drinkers. Until very recently ordinary wine could not be transported unless it was strengthened and protected against the effects of heat, cold and, above all, air.

Fortunately for the wine merchants, the British aristocracy (which dominates the market for most of the best French wines and spirits and their politically influential producers. The system of Appellations d'Origine Contrôlées (AOC) is designed not to guarantee the quality of a given wine, but to ensure that it is the product of the region from which it is supposed to come. Further refinements cover the grape varieties, the yields, and viticultural methods.

The AOC system has been run surprisingly honestly, apart from a period in the early 1970s when, for political reasons, a lot of Corsican plonks were "given the Appellation." But still, in a bad year in Bordeaux,

of a previous year's crop; an old-established (now illegal) habit.

In France most of the laws are obeyed, more or less, most of the time. In Germany fraud is an inextricable part of the wine business. The veteran lawyer and wine merchant, Fritz Hallgarten, recently wrote: "An offence against the wine laws is considered a Knospe, seditel, a cavalier or nobleman's game. Like a duel it was just a crime that did not spoil an honest name."

Hallgarten should know. As a 14-year-old boy, left in charge of the family business when his father was called up to fight in World War I, he learnt how the judicious use of a little apple or pear juice softened the local wines, and how even wax seals did not guarantee that a wine had not been tampered with.

The Germans seem to have no sense that they have a vinous heritage which is eminently worth preserving. They have further damaged their image by dressing up a lot of flabby Italian plonk in bottles labelled in phony Gothic lettering, passing them off as German to customers (mostly British) who don't bother to read the words "Product of more than one country" in tiny letters at the bottom.

The Austrians can claim that their own recent wine scandal, like so much else in Austrian history, was a consequence of German influence. While not wanting to spoil a good story, it has to be said that the wines involved were not laced with anti-freeze, which contains ethylene glycol. The Austrians used di-ethylene glycol (DEG); when making printing inks or dyeing textiles. The fraud was



Robin Lane Fox

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VINS DUPAYS

still be traded in bulk between Austria and Germany, the trade had blocked proposals restricting sales to bottled wines, more easily traceable and checkable.

Strictly speaking the German merchants who imported so much of the adulterated wine were innocent—they paid the full price. But fraud was possible on so large a scale because greed stopped the Germans asking questions about the up-market "auslesen" and "beerenauslesen" available in surprising quantities at gratifyingly low prices from some of their Austrian suppliers.

The wines were not especially dangerous. A drinker would have to consume half his or her body weight in wine strengthened with DEG before dying, and by that time the drinker would have succumbed to the alcohol long and a half time

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Total Prize Money £15,000

Exhibition Year Dates: Mill Gallery, London SW1, 4th - 16th February

Newcastle Art Gallery, Newcastle upon Tyne, 15th February - 16th March

Adelphi Art Gallery, Aberdeen, 19th March - 11th April

Entry forms & details of prizes in Enquiries (Post cards only) from:

The National Art Competition, The Mill Gallery, 171 Curzon, Weymouth, Dorset DT99 1DQ. Tel: 01-536 6566

Days of disaster

ANTHONY EDEN
by Robert Rhodes James
Weidenfeld & Nicolson.
£16.95. 665 pages

WHEN Anthony Eden returned to the Foreign Office at the end of 1940 Churchill wrote that it was "like a man going home." Eden had already been Foreign Secretary—one of the youngest ever—in the late 1930s, but had resigned over Chamberlain's anti-Americanism and appeasing approach to the European dictators. He remained at the Foreign Office for the rest of the war, returned again when Tories won the general election in 1951 and became Prime Minister in 1955. The next year was Suez.

Now is it that the man who seemed born to the job should have presided over one of the greatest British foreign policy disasters of all time? That Suez was such a disaster there can be very little doubt. Indeed the more one reads about the diplomacy that led up to the Anglo-French collusion in the Israeli attack on Egypt and the subsequent intervention of British and French forces, the plainer it becomes. It was a mistake of huge proportions. Hugh Gaitskell, the leader of the Labour Party, was present at a Downing Street dinner when the news of Nasser's seizure of the canal came through. Although he was as staunch as practically everyone else in urging the need for retaliatory action, he noted in his diary at the time that it would be essential to bring the Americans into line. That is precisely what did not happen. Some of the personal letters from President Eisenhower to Eden could hardly have been clearer. "The step you contemplate," should not be undertaken until every peaceful means of protecting the rights and the livelihood of great portions of the world has been thoroughly explored

and exhausted." Eden interpreted that as meaning: "The President did not rule out the use of force." A few days later Eisenhower wrote again: "I am afraid, Anthony, that from this point onward our views on the situation diverge... I must tell you frankly that American public opinion fully rejects the thought of using force." The weeks later there was another letter accusing Eden of "making Nasser a much more important figure than he is," and advocating using diplomacy to let some of the drama go out of the situation.

Oddly enough, it was the same sort of approach that Eden thought the Americans should have taken when Mussadeq nationalised the Anglo-Iranian Oil Company and its refinery at Abadan in 1951. There was no point, he said then, in taking precipitate action in the volatile Middle East. Yet by Suez he was oblivious to such advice.

Robert Rhodes James, the official biographer, says some of the blame on Dulles, the US Secretary of State. And it is true that Dulles was extremely hostile to Nasser, wanted him overthrown and was not wholly averse to the use of force. But Eden should surely have known that in the end it was the President not the Secretary of State who mattered most. Rhodes James attaches some blame to the Mahatmas for not raising his doubts about the military feasibility of the operation earlier and at one stage accuses him of "conducting a heroic, virtually amounting to a dereliction of duty." Yet it was still Eden who had the overall responsibility. One of those who did protest was Lord Salisbury, who might have been expected to have been a hawk. The reason why so few others did so was that hardly anyone knew what was going on.

When the Israelis attacked it had been arranged that Britain and France would issue an ultimatum calling for a ceasefire, but in fact as a pretext for Anglo-French intervention. The Israelis did their bit, then called at the British embassy in Tel Aviv to ask where the ultimatum was. The Embassy knew nothing about it. Recurrent illness, prolonged overwork and too great a readiness to see in Nasser another Mussolini have put forward as explanations for Eden's actions and there is something in all of them. R. A. Butler, however, perhaps came closest when he wrote of the frustration: "the residues of illiberal resentment at the loss of Empire, the rise of coloured nationalism, the transfer of world leadership to the US." Those words were not spoken, but the emotions must have been felt.

It is worth noting in passing that Eden had another fault both as Foreign Secretary and as Prime Minister. He felt no attraction to the movement that was to produce the European Community. Britain, in his view, was not a European nation. Even in the early 1950s Macmillan, whom Eden never liked, was pressing the European card. At that formative time Eden would have none of it. He might have been a better Prime Minister had he not been kept so long in waiting by Churchill. The latter told him as early as 1940 that "the succession must be his" and that he (Churchill) would not "make Lloyd George's mistake of carrying on after the war." When Eden finally did succeed, he had never run a home department and the majority of Conservative MPs had hardly ever met him because he had been so much abroad. He was not good at Cabinet changes and interfered greatly in other Ministers' business. The art



of politics eluded him. If a fine phrase was in a draft speech, he would almost invariably substitute a cliché. This is a sympathetic book, though Rhodes James is too good an historian to have overlooked the defects. It is at its best when he is writing about Eden's boyhood, his experience of the first world war and his not always happy private and family life. Where I think he errs is in understating quite how awful Suez was. The consequences were not so much in the Middle East as in Anglo-French relations. France set out on its independent course while the British Government determined that never again should British relations with the US sink so low. The French said that the Americans could not be trusted; the British said that they must be trusted. Those attitudes are still apparent 30 years later.

Malcolm Rutherford

Talking of Michelangelo

THE SISTINE CHAPEL: MICHELANGELO REDISCOVERED
edited by Massimo Giacometti.
Muller, Blond & White, £40.00.
271 pages

RENAISSANCE ARTISTS AND ANTIQUE SCULPTURE
edited by P. P. Bober and R. O. Rubenstein. Harvey Miller/Oxford, £40.00. 522 pages

WHILE THE visual arts stagger backwards to their prehistoric and aboriginal origins, reproductions of the world's supreme masterpieces are achieving a technical perfection undreamt of hitherto. A new copiously illustrated and documented opus on the Sistine Chapel enables us to carry its wonders about with us and marvel not only at Michelangelo's miracles, but also at the magical effect of modern restoration.

The controversy about the recent cleaning of these frescoes, begun in the summer of 1980, still rages furiously. Some critics complain that this has been excessive; that the four centuries of dirt, soot and glaucoma have been washed away in the name of the "monochromatic tonality." Others feel that Michelangelo would be gratified to find his handiwork refreshed and rejuvenated.

Considering its vicissitudes, this Chapel is indeed a survival of the fittest. All honour to the enlightened Popes who encouraged the titan and spurred him on even against his will, exhaustion and ill health and his plea that he was not yet a painter. Some of their successors to the Holy See, if not pseudo-Cromwells, were less far-sighted. The Dutch Adrian VI condemned the frescoes as "sensual, worldly, shameful and abominable."

Ironically, Daniele da Volterra, a devout pupil of the master, was engaged to conceal the private parts of the nudes with "purificatory adjustments." Paul III's Master of Ceremonies, Biagio da Cesena, objected that they were an offence against religion, and periodical threats of their total destruction were fulminated.

Art was to triumph over the fanatical philistines, and this superb publication is a permanent record of its success. The volume represents a happy result of international collaboration, printed and bound in Switzerland, edited by Massimo Giacometti, with a Japanese, Masashi Azuma, as editorial director, and brilliant photographs by his compatriot Takashi Okamura. A galaxy of eminent art historians and the chief restorer of Papa Montemari, Massimo and Gallacci are responsible for the text. As together one could not demand a finer production, even if the translations from French and Italian are occasionally clumsy.

Professor Michael Hirst observes that some version of a sarcophagus now in the Louvre was known to Michelangelo, and that one lunette in the Sistine Chapel was derived from a male river god on the Arch of Septimius Severus. That he gained inspiration from such classical compositions is postulated by Professor P. P. Bober and Mrs R. O. Rubenstein in their encyclopaedic "handbook of sources," entitled *Renaissance Artists and Antique Sculpture*, containing over 500 illustrations. They point out that Michelangelo was familiar with a Roman altar of the 1st century AD and that he adapted the figure of Hercules "reaching over a Hesperid for an apple, to Adam in the Fall of Man." Further, more Raphaelesque, Botticelli were also indebted to the Graeco-Roman artefacts described in meticulous detail.

The Roman copy of a neo-Attic sculpture of Pomona (1st century BC-1st century AD) probably served as a prototype for Botticelli's Primavera, and the famous Tazza Farnese (2nd century BC) may have been adapted for Botticelli's Birth of Venus, and so forth and so on with chapters and verses.

The authors have left no stone unturned in their quest for original influences and borrowings from the antique. Their text is a lively appendage to Lempiere's Classical Dictionary; the reader is overwhelmed by the detective pertinacity of these learned ladies, both steeped in Ovid's Metamorphoses, which they trumpet one to reveal. But their versions of Greek myths are chaste than Lempiere's, for the nymph Salmacis who longed to possess Hermaphroditus could scarcely have been "unusually languid" since she endeavoured "to obtain by force what was denied by prayers," with the result of which we still see too many pathetic examples. Their esoteric vocabulary often sent me to consult a dictionary, always a pleasure.

Professor Bober reminds us that Donatello and Brunelleschi "avidly measured ruins and drew antiquities in the first years of the Quattrocento." Piranesi's prints help us to imagine the thrills of such visitors to Rome when so much of its ruins remained in situ, even if sarcophagi were used again as tombs, fountain troughs and holy-water stoups. This is a whale of a book and more is promised. After reading it one is prompted to revise Pater's statement that "the Renaissance of the 13th century was, in many things, great rather by what it designed than by what it achieved." I suspect that the great Winckelmann would have nodded enthusiastic approval.

Harold Acton

I, Graves...

ROBERT GRAVES: THE ASSAULT HEROIC 1895-1926
by R. P. Graves. Weidenfeld & Nicolson, £14.95. 387 pages

THREE ENGLISH poets died one week last December, and it was typical of Robert Graves, who was much the oldest of them, to outlive the other two, who were Geoffrey Gifford and Philip Larkin, though only by a matter of days. He had long made it his business to be the great survivor among poets of the English language. By December 1985, aged 90, he had survived an Edwardian public school, the trenches of the First World War, the onslaught of Modernism on English letters between the wars, the Spanish Civil War and an affair with Laura Riding. In fact he was so much the senior man of letters in English by the 1980s, that he had begun to look immortal.

This new biography, the first since his death, is by a nephew who, justly proud of his family connections, begins with three double-page spreads of genealogy on Graves's Irish-German ancestry and his multitudinous heirs. This first volume takes the story down to 1926, when a 30-year-old Graves sailed for Cairo with his first wife, Nancy, their four children, and Laura Riding, an American poet he had met only a few days before. The book is strikingly unspeculative, though, its preface only hinting at unnamed differences with Martin Seymour-Smith's excellent biography of four years ago, and it is not much given to literary or any other sort of comment. It is more like a heap of well-documented and neatly docketed domestic details, from a Welsh childhood through the life of a priggish schoolboy at Charterhouse, the France of the First World War and a time at Oxford, and so to a first marriage and early struggles with married poverty.

The younger Mr Graves, who is already known as the biographer of A. E. Housman and the Powys brothers, chooses to tell the life of a beloved uncle in a multiplicity of very short chapters, straightforwardly and one thing after another; and though he occasionally decorates his prose with moments of lyrical affluence, comparing a

poem in his opening paragraph to a water-spring in a desert, it is not his manner that counts but his information. He has had access to family papers, after all, both father's and uncle's, and though none of the new material is profoundly revelatory, it is abundant and fully organised.

The real problems, it is clear, will come later. Nearly everything Graves did that matters was to be written after his brief spell as a Cairo professor in 1926; nearly all of it, in fact, dates from his London in 1929, when he and Laura Riding emigrated to Majorca. The riddle of his genius starts there, for though he started writing very young, his juvenilia are no more than that. That riddle lies in the growing consciousness of many of his readers that, though he always saw himself as a poet and indeed a great poet—his early public-school priggery was to turn into a most engaging ecotism during his long exile on a Spanish island—his prose now looks more likely to wear than his verse. That is not a dismissive view. No poem he wrote in 1929, when Graves is every whit less than the civilized product of a cultivated mind. But none, in spite of a few brilliantly witty epigrams, is quite good enough to sustain his self-created role as the great poetic magus of our times, and none is striking enough to be unforgettable.

Graves's notions that verse matters more than accuracy, that poetry is descended from ancient magic, and that patriarchy is natural to mankind, all flourished unhindered in an island exile unpunished by the critical discipline that life in England might have given him, and his irreconcilable hatred for Modernism, which he used to call "the Franco-American thing," could only impress those who could manage to think him as good a poet as Pound, Eliot or Auden.

The fact will have to be faced that he was not, and the early poems his nephew quotes here are far from suggesting that he ever was.

George Watson

Power behind Gandhi

THE EMISSARY: G. D. BIRLA, GANDHI AND INDEPENDENCE
by Alan Ross. Collins/Harvill
£14.00. 240 pages

THE INDIAN Congress struggled for half a century before it came to power. This is a long time for a movement to campaign and remain in being. It could not have done it without the support of the rising class of Indian industrialists. Many of them were moved by patriotic motives, but they had a particular interest in promoting Indian independence. Britain regarded India as a protected market for British industry and a secure place for British investment. Indian industry, as distinct from Indian agriculture or service, was not encouraged by the Raj. The British Government could not stop its industrialisation but public sector contracts, at any rate until provincial autonomy in 1938, went as far as possible to British companies. At an early stage Indian industrialists realised that they could only defeat British competition if they could secure Indian independence.

Alan Ross, the poet and writer about cricket and more recently autobiographer, gives us here an interesting portrait of one of the most memorable of those industrialists, G. D. Birla. The Tata and Birla dynasties backed Congress at an early stage. Birla, in particular, played a special role because of a relationship which he formed with Mahatma Gandhi. There can be no doubt that a strong friendship developed between the two men. Their letters, indeed, show a remarkable degree of

intimacy, discussing in detail questions of diet and methods of achieving chastity. But beyond personal admiration were other considerations. Many of the Congress leaders, like Nehru, inclined to socialism, Gandhi's attitude, by contrast, was strikingly conservative. He wanted to revive cottage industries and provide India with an important element of stability. Many of the Congress leaders were frankly agnostic. Gandhi was deeply imbued not only with Hindu principles but with respect for Islam and Christianity.

Moreover, Gandhi's fundamental principle, was that the method of attaining independence must be non-violent. For businessmen violence is always alarming. Gandhi thus represented for Birla a reassuring figure, essentially conservative and dedicated to achieving his aims by peaceful methods. Gandhi was clearly right in his non-violent strategy though it led many Marxists to regard him as almost a British agent. They could not understand how the Raj could retain control over nearly 400m people with so light a coverage of administrative and security personnel (300,000 British civil servants in 1939, 2,000 British policemen and 5,000 British troops). Birla, on the other hand, understood that with the many divisions between the peoples of the subcontinent, there was no

revolutionary situation to be exploited. As well as giving lavish backing, like other industrialists, to the Congress Party, Birla gave unstinting personal support to Gandhi. The Mahatma was personally austere and ascetic but he was accompanied everywhere by a large retinue and could not have conducted his personal campaign often at odds with Congress without financial backing. Birla saw that he never lacked for anything and knew that his newspapers could project Gandhi's image more successfully than he might otherwise have done.

Thanks to this friendship Birla played an important role, both in helping to arbitrate differences of opinion in the Congress high command and in his relations with Vice Royal Lodge. Gandhi was incomprehensible to most British officials and he himself was deeply suspicious of the British. Birla managed, not always successfully, to interpret Gandhi to the Viceroy and the Viceroy to Gandhi. It was not easy. Gandhi was against all compromise including letting Congress take part in the provincial autonomy provided for by the 1936 India Act. Nevertheless, he remained staunch for non-violence and eventually saw India set on the way to independence. Both the nature of independence and the process of achieving it were deeply disappointing to him. He was dismayed

by the division of the subcontinent into three parts and appalled by the bloodbath of communal violence which accompanied it. His efforts to pacify the communal violence led, indeed, to his assassination in Birla's house by a Hindu fanatic. Thereafter, with the Mahatma dead and independence achieved, Birla's political influence receded and he concentrated on developing his business empire. Birla never really got on with Nehru and still less with his descendants. Nevertheless, he remained active in influencing Indian economic policy and defending the concept of private enterprise against the dirigiste inclinations of Nehru. In all this he sided with Patel though when Patel died his influence suffered a further check. In his last years, he retired more and more from business in the best Hindu tradition, devoting more time to reading, writing and meditation.

Alan Ross has the advantage of an Indian family background stretching back to the era of Gandhi and writes with understanding and humour of the complex love-hate relationship which characterised the Congress struggle against the Raj. He has had the further advantage of close personal contact with Birla and many members of his family. Moreover, he has studied carefully the published material, well enough known to the Indian political world but of which others,



G. D. Birla: horse-riding industrialist

even the India-conscious British public remain ignorant. His book reveals quint aspects of Gandhi's way of life, of his diet and his habit of having naked girls sleep alongside him to ensure that even with such temptation he could keep sexual impulses under control. There are times too when the book is rather moving,

as for instance when Gandhi described himself as happy at the achievement of independence yet saddened by the liquidation of a great empire. This is a valuable account of a little known but significant figure in the development of modern India.

Julian Amery

In the saddle

DICK FRANCIS
by Melvyn Barnes
Lanciner Publishing
£9.95. 223 pages

BOLT
by Dick Francis
Michael Joseph
£9.95. 240 pages

EAVESDROPPER
by John Francome and James Macgregor Macdonald
£9.95. 223 pages

JUDGMENT of pace is a talent which separates a great jockey from any other rider of racehorses. It is also a vital ingredient in a successful thriller. Dick Francis has used this skill to marvellous effect as both jockey and writer; had he not written a string of bestsellers he would probably be best remembered as the man who didn't win the Grand National. At Antree in 1966, Francis, riding Devon Loch for the Queen Mother, was some 30 yards from the winning post and in a clear lead when his mount collapsed. No one, not even Francis, is sure what happened. This incident is recounted in Dick Francis, by Melvyn Barnes.

Barnes makes the point that Francis could easily move away from writing novels with a strong horse-racing element. Indeed he has done so, with success, in some of his recent work. However, in Bolt the smell of the stables is once again to the fore, as are the ups and downs, literal and metaphorical, of a champion jumps jockey. Kit Fleming, the jockey we

met in an earlier novel, Break In, becomes ensnared in the machinations of a devilish Frenchman who will stop at nothing (not even, it seems, killing racehorses) in trying to seize control of a respectable company to turn it into an unscrupulous guns manufacturer. We all know that good will triumph over evil but that doesn't stop Bolt from being immensely readable. Francis's terse style disciplines, he says he learnt from meeting dead lines as a racing correspondent) does have the reader on the edge of his seat, cliché though that may be. One is compelled to finish the book in one sitting while dwelling over the last few pages (which contain a very nice twist) to prolong the pleasure. Another winner!

Francis never rode against John Francome on the racecourse, had they met, the "clever" money would probably have been on Francome. Eavesdropper is Francome's first outing as a writer of fiction (his autobiography was published last year) and it must be said that, comparing the written word of the two, Francis wins by a distance. Of course it is unfair to draw comparisons—rather like pitching an untried novice chaser against the winner of the Cheltenham Gold Cup.

However Francome, who wrote the book "in partnership" with James Macgregor, has turned in a creditable performance.

Jeremy Bennalack-Hart

O-ZONE
by Paul Theroux. Hamish Hamilton £9.95. 480 pages.

WHITE SUN, RED STAR
by Robert Elegant. Hamish Hamilton £10.95. 551 pages

ZDT
by Julian Rathbone. Heinemann £10.95. 246 pages.

FILTHY LUCRE
by Beryl Bainbridge. Duckworth £9.95. 144 pages.

ROGER'S VERSION
by John Updike. André Deutsch £9.95. 316 pages.

PAUL THEROUX is still travelling, but this time he has found his way into the foreign country of the future. Officially, "O-Zone" doesn't exist; it's not to be found on any map of America, obliterated after a nuclear spillage (shades of Chernobyl) which left the area unmentionable and uninhabitable. The party of privileged New Yorkers—members of the superior class of "Owners"—who arrive there 15 years later regard their expedition as a sophisticated form of adventure holiday, fascinated by the deserted towns, the mutant animals, and the lurking possibility of an encounter with "aliens."

Beyond O-Zone lies a futuristic society, part Orwell, part Dr Who, divided between the sealed high-security areas where Owners live in technological affluence and the vast no-go areas inhabited by aliens—the collective term for anyone without official ID. Theroux presents too much of once—his first 50 pages are bewildering—and he is having too much fun with the estranging techniques of sci-fi to explore the nightmarish functioning and

Fiction

Taking a trip off the map

logic of the society he has called into being. Like his central character, he is distracted by the idea of O-Zone, and by the terrible beauty which haunts forbidden territory. In the event, however, the trip to O-Zone turns out to be the catalyst for some good old-fashioned re-education in human values. Fizz, the computer whizz-kid who likes maths "because there are no people in it," learns to live with the aliens who kidnap him in O-Zone, and Moura, his mother, completes her quest for the faceless, anonymous father of her son. There is an element of amor vincit omnia about all this which provides a deceptively simple humanist answer to the determinedly anti-humanist society Theroux has created.

Theroux is at least firmly in control of his rather bizarre material; the same could not, unfortunately, be said of Robert Elegant's mammoth chronicle Red Sun, White Star, which follows China from 1921 to 1952, through the years of Nationalist/Communist rivalry and Japanese aggression to the beginnings of the People's Republic. Elegant takes as his focus Shanghai and the international community there, which is exotic enough, but beyond the hyperactive port of entry lies the somnolent bulk of the rest of China, never activated, never really present

fluctuating fortunes of a family firm owes an obvious debt to Dickens: lots of grotesque villainy stretching in murky alleyways by the river Thames. The young Bainbridge displays a strong social conscience and a proper sense of the evils of drink, relishes death-bed scenes and produces occasional infelicities of expression which are worth pages of her high drama.

A prolonged tussle with Roger's Version prompted speculation whether Beryl Bainbridge being naïve might not be preferable to John Updike being sophisticated. Despite his sharp-eyed prose and his willingness to look boredom in the eye, Updike's novels leave me wondering if this is all there is to life and deciding furiously that it can't be. In this instance an unlikely professor of divinity lives with his equally unlikely wife in a depressing East Coast university town. The professor's compulsive calm is disturbed one afternoon by a passionate if unrepromising young man called Dale intent on proving that modern physics can be enlisted to verify the existence of God.

Pages of abstruse scientific and theological discussions are infrequently enlivened by the professor's sexual encounters with his niece—whose principal occupation appears to be battering her illegitimate child—and his wife's adultery with Dale, which rather retards the latter's efforts to rescue humanity from agnosticism. The overall effect is unwieldy and depressing, though for anyone still trying to reconcile science and religion the novel might be of more than simply academic interest. But in the end everybody is mocked and nobody is vindicated—not even God.

Kirsty Milne

لکھنؤ ایجنسی

روزنامه‌های اقتصادی

The craft of saving works of art

FOUR YEARS AGO Sir Peter Wakefield, recently retired from the Foreign Office with stints as British ambassador in Belgium and the Lebanon behind him, took on a job to take his diplomatic skills: he became director of the National Art-Collections Fund.

At the time it was hardly a major appointment. The NACF was founded in the early years of the century with the task of channelling works of art from private owners (often dead private owners) into the nation's art galleries and museums. It was prompted by the flow of masterpieces leaving the UK for the opulent mansions of American tycoons.

But in recent years there has been an equally free flow of heritage bodies, all with different roles but all designed to keep the UK at the art treasure house of the world. The National Trust, English Heritage, the National Heritage Memorial Fund, to say nothing of specialist interest groups like SAVE, compete for the public attention—and cash. The NACF, with its ponderous name, was in danger of being lost sight of in the rush.

Sir Peter inherited 12,000 members, invariably the well-to-do middle classes who used the NACF at local level like an up-market WI. Its capital was £24m, which provided interest of less than £200,000 a year to be spent acquiring works of art and passing them on to the most appropriate

museums. There were also bequests, and much of the capital came from the will of deceased members.

Today the NACF is still a very middle class institution but it is 21,000 strong with a capital fund of £10m which will enable it to hand out around £1m this year. In recent months its prospects were much improved when a member left it £1m, as well as some good works of art, and it has just received another £500,000 bequest out of the blue.

Sir Peter reckons to make up to 80 cash contributions a year but in most cases expects the receiving museum or art gallery

to raise some cash internally, and often works with other aid bodies like the Museum and Galleries Commission (which has £1m a year of government money as a purchase fund) or the National Heritage Fund.

Obviously most of the NACF's work goes unnoticed, except at the local level. The Topham Museum Society in Devon for example was very happy to receive a couple of chairs and a mirror of around 1700, bought from local dealers by the NACF for £850, while at nearby Honiton a lace luncheon of around the same period found a natural home in the local museum thanks to £300 from the

NACF and £200 from the museum.

But while the majority of its deals fall into this category, it is when the major items of the national heritage are threatened that the NACF gets some of the limelight — and when its limitations are exposed. In times when one painting — 'The Adoration of the Magi' by Mantegna — can sell for over £5m the NACF's resources look feeble. It was able to provide £300,000 of the £65m needed to keep Bernini's bust of Cardinal del Pozzo in the UK (in Edinburgh) and £250,000 (a third of the fixed price) to retain Titian's 'Christ washing

the disciples' feet' in Newcastle. But if there was a sudden spate of exported works of art, Sir Peter would either have to fritter away all his capital or stand helplessly aside.

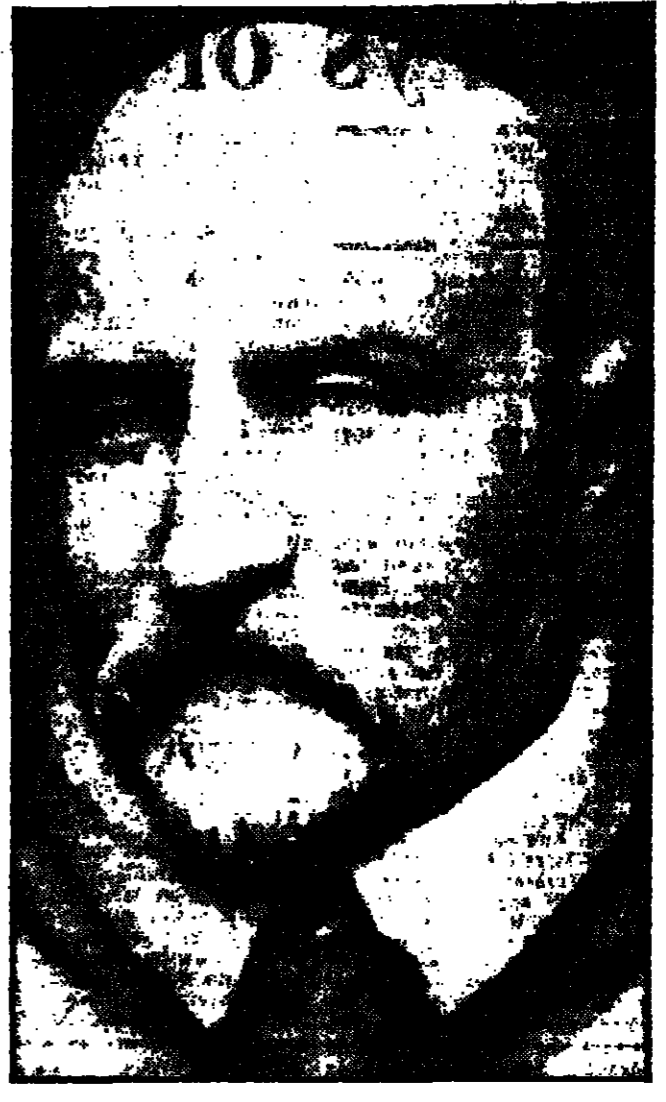
Inflation among the top works of art has risen faster than the resources of the NACF. So more emphasis is being placed on the lobbying and didactic activities of the institution — and on new ways of raising revenue. One of his favoured schemes, a national art lottery, is in abeyance, but Sir Peter has found a sponsor for a soon-to-be-announced arts prize, has launched a series of profitable musical events; has caught a popular nerve with a series of arts lectures (sponsored by Pearson) which have been well subscribed; and has started to make a profit, through advertising revenues, on the NACF publications. The same could be simplified by the dropping of 'Collections', and all the time there are the local skills to houses; the art tours; the social activities.

The arts lobby has made progress in recent years. The Government has increased (to £20m) the grant available to accept works of art in lieu of tax. There are hopes that museums in the UK will be excused VAT when purchasing works of art (putting them buying in the UK) and that individuals may be able to claim against tax one-off gifts of works of art: these are the

current subjects for gentle arm twisting. But then the NACF is a very gentle organisation.

While the National Heritage Fund is the state-financed protector of the national heritage, with a brief taking in the natural environment as well as works of art, the NACF is the private enterprise ally/competitor which concentrates on objects. It does good by stealth — the V & A is currently negotiating its 500th acquisition made with NACF assistance and the British Museum has been helped by the Fund around 600 times. Yet two-thirds of its work is in the regions.

Sir Peter is slowly succeeding in raising the image of the NACF. He faces a harder task in broadening the membership to include younger, less affluent subscribers (at £10 a year). At least one suggestion of a merger with the property-based National Trust is now in the past. The NACF has found a niche in the heritage world as the friend of the small museum, the provider of the thousand or so pounds, which make local efforts that much more obtainable. Its role could still be better known; its function more clearly defined. But the NACF has definitely turned a corner, and with its revitalised social, educational and lobbying activities, added to its funding, it is a worthy, and very British, defender of our artistic past.



Bernal's bust of Cardinal del Pozzo

Double character teapots saved for the Cecil Higgins Art Gallery and Museum in Bedford

Polemic pot-pourri

ORIENTATIONS: COLLECTED WRITINGS BY PIERRE BOULEZ
 Edited by Jean-Jacques Nattiez. Translated from the French by Martin Cooper. Faber, £25, 541 pages. PIERRE BOULEZ: A SYMPOSIUM Edited by William Glock. Eulenburg, £12.00, 454 pages

FOR ALL his justified fame as an exponent and polemicist, Boulez's prose writings have been curiously hard to come by in English. Many of the essays in this sumptuous new collection have, it's true, appeared in the language, but mostly scattered here and there in newspapers, concert programmes, and all those other familiar modern repositories of timeless wisdom which go to be recycled almost before you can say IRCAM. Their French original is the collection *Points de repère*, which first came out in 1981, but was already reprinted in an expanded form last year.

A few additional pieces appear for the first time in this English version, and Jean-Jacques Nattiez, the editor of the original collection, has contributed a new introduction which perhaps tries too

earnestly to infer some systematic basis to what is, after all, a pot-pourri of major essays and lectures from every period of Boulez's career, mixed up with pieces d'occasion, record sleeve-notes, newspaper interviews, obituaries: the journalistic sediment of this unbelievably energetic musician who, as Peter Heyworth once wrote, "manifestly finds it hard to say no."

Partly, though not entirely, because of its catch-all quality, *Orientations* presents a less insistently hectoring persona than Boulez's earlier collection *Relevés d'apprenti*, with its furious attacks on the modernist establishment alternating with utopian visions of the future. Some Sixties pieces which slipped through the *Relevés* net turn up here as reminders of the young Boulez's perpetual in-and-out-between action and reflection — or, as one of the section titles in *Orientations* calls it, frenzy and organisation.

There are technical chapters originally meant for inclusion in *Penser la musique aujourd'hui*, Boulez's attempt at

a post-serial composition "method," and some straight analysis of his own music, including the well-known (from footnotes) "Sonata, que me veux-tu?" and a study (taken from a letter to John Cage) of *Polyphonie X*, a work which he himself later rejected as "a theoretical exaggeration."

On the other hand we find judicious, balanced and penetrating studies of the music of other composers (Wagner, Berg, Berlioz, Debussy) invariably deriving from Boulez's conducting experience but only in the reciprocal sense that his conducting has always based itself on a textual study that is, at once, analytical and historically sophisticated.

It goes without saying that his stature as a conductor came from his grasp of Berg's diction that we should not regard the classics as if they were modern, and the moderns as if they were classic. And the same became true of his critical writing: once it shed that polemical urge which, in the early days, made it more exciting but perhaps less informative.

Finally, the book incorporates essential political documents, like the attack on Malraux, the outlines for a research institute which would enable a collaboration between music and science, and a series of pieces about the *Domaine musical* concerts in Paris. Only on IRCAM itself there is nothing, for the specious reason that, as Nattiez argues, "that would have involved making premature judgments about a venture that is not yet complete," as if all judgments were not by their very nature premature and all ventures (Boulez's more than most) essentially incomplete.

This is a magnificent collection by one of the major musicians and aesthetic theoreticians of our time. Moreover, it is beautifully considered and nearly always accurately translated. What does it tell us about Boulez today? Always a completely fearless and incisive writer, Boulez has often contradicted himself in this or that detail. Yet the striking thing about these diverse and often self-damaging essays is their underlying consistency of philosophy. Boulez has reneged on little of importance: only the tone of his polemic has quietened, and from behind it has emerged a richer willingness to accept music which, 30 years ago, he would simply have ignored as irrelevant — that frightful catchword of the Sixties which, to its great benefit, plays no part in Boulez's vocabulary of the Eighties.

The lengthy symposium recognises Boulez's standing as more in English than in his own music than we have had in a single volume before. Heyworth's biographical survey (from the New Yorker) is reprinted, with a token update, but inevitably supplemented with the study of the history and workings of IRCAM by Jonathan Harvey. And there is exceptionally detailed work-studies by Gerald Bennett, Charles Rosen and Susan Bradshaw (this last almost of Boulez's in his own words). Deligne's examination of the conjunction between Boulez and Mallarmé, which extends an analysis of Boulez's own in *Orientations*, provides the book with an absorbingly speculative length, but which, alas, can only be called a non-translation.

THE CHELTENHAM Festival of Literature opened for me on Sunday evening with a Philip Larkin programme at Cheltenham Ladies College. It was to have been given by Patrick Garland and Alan Bates, but Mr Bates could not attend and was replaced at the shortest of notices by Freddie Jones. Mr Garland was the 'straight man', prompting Mr Jones into the reading of a poem or of some critical or biographical writing. Both participants did their pieces excellently, but I was left wondering whether a whole Larkin evening was a good idea, for in spite of his many felicities he is not a consistent poet. He writes off things that some of us care for, but in an alternative mood will show us positively nostalgic affection.

Monday brought us a performance of Strindberg's *Dream Play* by a company called Tell Tale Theatre, at Shaftesbury Hall. It is a play that calls less for a production than for presentation, and there were moments of considerable visual charm, achieved with only modest

Scattered words

resources. The company, six of them playing the 20 parts that remain in Ingmar Bergman's version of the piece, are young enough to project Strindberg's rather unoriginal thoughts with apparent belief, and to speak his lines with the wisdom that he intended to fill them with. There were some effective dance-movements (Lorna Marshall, choreographer), and some attractive music, particularly a duet for guitar and double-bass (the work of John Jansson). Karina Micallef was the director, and the designer, who had to put her major efforts into the costumes, was Margeret Woznica.

On Wednesday, outside the town at 'Bishops' Cleeve

Church, we heard an enjoyable dramatic tapestry woven from the words of critics disparaging Shakespeare, and answered by the wiser critics who were able to shoot down such figures as Voltaire, Shaw or King George III with wiser judgments, or with the words of Shakespeare himself. The lines were spoken by Richard Baker, Gabriel Woolf and Jill North-Bower (the last two of whom compiled the feature), and charmingly punctuated by songs and solos by the lutenist Robert Spencer.

As usual the first week of the festival has been scattered around the district, but from Sunday most items will be held in the Everyman Theatre.

B. A. Young

Cheapo discos

IT IS every record marketing manager's dream to be able to sell his product like packets of soap powder. Now it seems Marks & Spencer are set to do just that with the release of the new St Michael label. All the recordings are newly commissioned originals; they are available through selected stores, and sell at £3.99 for the LPs and cassettes, £7.99 for the compact discs.

From the initial batch it does not seem likely that Marks & Spencer will do for recordings what they have done for coloured underwear. The selection of works is, to say the least, conservative: *The Four Seasons*, *Sine kleme*, *Nachtmusik*, the Trout Quintet, the *Enigma* Variations. Peter Donohoe's *Op. 32 Preludes* (the first strange coupling) in the book of Debussy's *Images* is attractive in its own right, despite the glossiness of the recordings, his playing is vivid, full of colour and suggests a real sense of occasion lacking in all the others.

Andrew Clements

PRICES are tumbling! At long last, heading the advice of such sage industry commentators as myself, the major video distributors are reducing the hitherto preposterous sums required for their wares. In a UK video market now teeming with maverick outfits offering low-cost classics and bargain reissues — Video Collection, Channel 5, Starlinecane — the majors can no longer avoid competing. In October sees the launch of The Rank Picture Show, a classics division of Rank Video which will offer films like *The 39 Steps* and *Brief Encounter* for under £10. And Warners and MGM/UA are likewise taking a deep breath and reducing £2.99 their price for oldies and not-so-oldies like *Casablanca*, *The Maltese Falcon*, *Gaslight*, *High Society*, *2001* and *Superman*.

This means that videos can at last start coming in, as they always should have done, at around the price of a book. The price cuts will also restore a more realistic perspective to the qualitative relationship between video-viewing and film-going. Once a month I wear my video hat to commend good films to you for home viewing. But once a week I wear my other hat, as film critic, to urge you to see movies in the place they ideally should be seen: in a darkened theatre on a large screen.

What video allows you to do, very valuably with movie classics or films you want to see and re-see, is to buy and treat a film as if it were a book.

Read any good films lately?

You can "read" it at your own pace, stop it and start it, go over certain scenes again. You can even, on the umpteenth viewing, skim-view it and skip the boring bits. The only way you would have this power in a cinema is if you were the projectionist. And then you would be fired if you exercised it.

I strongly recommend this flexible-viewing approach to the month's star release, *Indiana Jones and The Temple of Doom* (CIC). This Steven Spielberg rummy parables of the bad and the beautiful in equal measure. Use your freeze-frame button to marvel at the film's matte work and technical trickery. (Most of the shot in which Indiana hangs from a cliff above a roaring torrent speckled with alligators is painted). But use your forward-pause button to whizz past the nastier bits of brutality and almost every scene featuring the screaming Kete Capshaw.

Also from CIC is that grand

daddy of colour epics, *War And Peace* (1956). Dimly related to story by one Leo Tolstoy, this is 19th century Russia, Hollywood-style. But it yields some thrilling visual compositions. Pure loveliness over the retreat from Moscow, as vast snow-covered suddenly shift to reveal the soldiers underneath, waking from mid-march slumber. King Vidor directs. Andrew Hepburn and Henry Fonda star.

Elsewhere the best of the month are *Breathless* (Kasino), Martin Bell's narrowing documentary of teenage vice and life below the poverty line in Seattle; *Defence of the Realm* (Rank), a British nuclear thriller directed for mega-tingles by David Drury; *Marie* (Cannon), "The Slavy Speak-fighting state corruption in a truth-based story, set in Tennessee; and *This Is Spinal Tap* (Channel 5). Rob Deiner's deliciously funny parody of a Beatles-style bio-pic, about a band whose hits include "Smell The Glove" and "Intravenous De Milo."

This last fits snugly into the same month with *Whom? Foreign? States* (CBS/Fox). This documentary about Whom? China tour was directed by Lindsay Anderson, no less, but plucked from his hands before final edit after a row between him and the darling duo resulting in a video form might be called 'Bland On The Run' — but the music at least will be a must for fans.

Nigel Andrews

Radio

Women's interests for all

Revolution and the Red Guards. I thought it immensely interesting. For those who would like to know more, as I would, there will be discussion programmes on Radio 4 long-wave on Sunday, October 19 and Sunday, October 26. Producer, Anna Parkinson.

Radio 4 is currently ahead of Radio 3 for humour. They have begun a second series of *Legal, Decent, Honest and Truthful*, the half-hour pieces about a bunch of irresponsible advertising people in which the tale (written by Guy Jenkin) is periodically interrupted by mock commercials (written by Jon Canter). As it happens, this week's story was not the best ever, but the

scheme, and the burlesque of advertising ethics, are good fun.

The Monday Play was, as so often is, about Ireland, but Lee Gallacher's *Expeditions* was set south of the border and contained no word of politics. Mulcahey, his very publicly heard being very publicly courted by Rachel, his 'lovely Hebrew lady', on the Circle Line. We were then transferred to a happily married couple, Karen and Paul. Their only connection with the other two was sharing a table after a concert at which Shostakovich's 'sello songs' seemed to have attained some mystic importance.

But 10 years later, when

Mulcahey is dying after a series of strokes that have left him with little but his recollection of the Circle Line, the Shostakovich concert and his Hebrew lady, Karen capriciously flies to Dublin to visit him. He invites her into his bed — but he calls her Rachel. Mr Gallacher suggests that there could be a lasting relationship, but as it is obviously not going to last for long, it can hardly be taken seriously. I did not find it easy to believe in all I was told, but with this reservation I found the play touching in an early-Joyce manner, and the playing by Sarah Badel as Karen and Robert Stephens as a not very Irish Mulcahey was fine. Jeremy Howe was the director.

The Radio Programme is Radio 4's new spot for radio criticism. This week it was for criticism of Radio 4 programmes, which suggests *Pick of the Week* rather than *Raidedoscope*. But we shall see.

B. A. Young

Solution to Chess No. 641
 1. R.N1. B moves; 2. RxB, P. R7; 3. RxB or R-R6 and 4. RXP; 5. R-R7. P.B5; 6. BxB. K-R7; 7. B-N8 ch. K-R8; 4. K-R2. Traps are 1. K-R2? B-N1, or 1. R-R3?

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WEEKEND FT

SPORT

Of all the major rugby-playing nations, England are the weakest. Report by Nicholas Keith
Wakey-wakey time at Twickenham

RUGBY UNION will cross its rubicon at the end of this season when the first World Cup is contested in New Zealand and Australia next May and June. In the meantime, the authorities are trying to build bridges over the muddy waters of professionalism and violence, which are washing away the foundations of an essentially amateur and once Corinthian game.

the northern hemisphere as a whole. Since the 1971 British Lions gained their famous first win in a Test series in New Zealand, standards of play there and in Australia have improved while Europe has marked time. Even the French, at present the strongest team in Europe, made little impression this summer in their Tests in Australia and New Zealand — and the All Blacks were weakened by the ban on players who had been to South Africa with the "Cavaliers".

of streamlining the RFU's administration. In 33 years with ICI he has kept close contact with rugby, having gained a blue at Oxford, played for Bedford and then Streatham-Croydon until he was 37, and represented Surrey on the RFU.

at the highest level, week in, week out, so that their fitness and skills are not honed to international sharpness. The latest solution is a League system for the top clubs, in line with most of the other major rugby nations.

of them and, if they are dropped, they are told why," he says. He refuses to accept that English internationals are lacking in skill as their critics suggest, but he agrees that there is room for improvement.

playing for England. On the playing side, Mike Weston and Michael Green, respectively England's chairman of selectors and coach, have instituted a drive to improve the squad's fitness and to keep them better informed. Fitness has been put in the hands of Tom McVain, a Scottish polymath who has been Britain's athletics coach, technical adviser on Charlie's of Fire, and a best-selling novelist (Fianagan's Run). His role is to snow squad players how to reach a peak and maintain it throughout a demanding season.

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professional in the sense of being paid to play rugby. But they do feel, reasonably, that they should not be out of pocket on expenses, as they have been in the past, and that decent expenses should be paid to international touring teams at an agreed rate, across the board.

"If there is to be a revival, it has to involve improvements in administration as much as on-the-field skills"

and we must find controllable ways of making sure that the players do not get out without opening the floodgates to people with money who do not have the interests of the game at heart. But England's problems are many and varied, and they have provoked a confusing multiplicity of possible solutions. It is rightly said that England's top players do not face competition from the top clubs, in line with most of the other major rugby nations.

GREG NORMAN'S late-season heroics in Europe must finally have convinced any good judge that the 31-year-old Australian is golf's player of the year, following what has proved a vintage season. But in America Norman will probably lose that honour in more than one poll to Bob Tway, the 27-year-old fast-rising star from Oklahoma who, by playing on relentlessly in the US long after Norman had left, first for Europe and then for his home country, will probably out-distance the Australian's incredible total money winnings of a record \$652,296.

Ben Wright summarises a vintage season on the professional golf circuit

and dramatic victories than those of 48-year-old Jack Nicklaus, in winning his sixth Masters and 20th major title, at Augusta National, or 43-year-old Ray Floyd's first US Open victory at Shinnecock Hills in a blanket finish.

tee all four players no more than \$5,000 each as a minimum guarantee. When play was rained out on September 13 at Sunningdale in the European Open, my small world crumbled. It seemed extremely unlikely that Norman would now be able to catch Concorde at 7 pm on the Sunday evening as planned, and so it transpired. I shall never forget our subsequent trans-Atlantic telephone conversation. "Do you still want me?" Greg asked. "Do I still want you?" I replied. "I'll be lynched if you don't show up!"

And he played two strokes that were fully worth the price of admission. At the par-three 196-yard 14th, into the teeth of a freshening breeze, his towering four iron shot stopped no more than two inches short of the hole, dead centre. At the 399-yard 18th, a sharp dog leg to the right, Norman, with the consent of the other three players, donated the \$1,000 at stake there to the hospital, since he and Beck had already won \$5,000 each to the seniors' \$3,500. Greg teed up his ball on a pencil and drove it through the dog leg over the 100 ft pines, some 40 yards short of the green.

As one might have expected, Norman's play was a trifle ragged, but certainly exciting.

As one might have expected, Norman's play was a trifle ragged, but certainly exciting.



Greg Norman... player of the year

The year Norman hit the heights

F.T. CROSSWORD PUZZLE No. 6148. Includes grid and clues for Down and Across.

SATURDAY. Television and radio listings for Saturday, including BBC 1, BBC 2, Channel 4, and various regional channels.

TELEVISION AND RADIO. Listings for Saturday, including BBC Radio 2, BBC Radio 3, BBC Radio 4, and various regional radio stations.

TELEVISION AND RADIO. Listings for Saturday, including BBC Radio 2, BBC Radio 3, BBC Radio 4, and various regional radio stations.

SOLUTION AND WINNERS OF PUZZLE No. 6142. Includes crossword puzzle solutions and names of winners.

SUNDAY. Television and radio listings for Sunday, including BBC 1, BBC 2, Channel 4, and various regional channels.

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